

**OURAY COUNTY SCHOOL DISTRICT R-1
OURAY, COLORADO**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
June 30, 2016**



RECEIVED

By Justin L. Smith at 9:03 am, Feb 24, 2017

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**Hays
Maggard
& Hood, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

Board of Education
Ouray County School District R-1
Ouray, Colorado

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and each fiduciary fund type, of the Ouray County School District R-1 as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and each fiduciary fund type of the Ouray County School District R-1 as of June 30, 2016 and the respective changes in financial position and, where applicable cash flows thereof for the year then ended in conformity 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, the budgetary comparison information and the pension disclosure information, listed as "required supplementary information" in the table of contents, 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 Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ouray County School District R-1's basic financial statements. The combining and individual fund financial statements and additional schedules listed as "other supplemental information" in the table of contents are for purposes of additional analysis and are not a required part of the basic financial statements. The electronic financial data integrity check figures and reconciliation are presented for purposes of additional analysis as required by the Colorado Department of Education, and are also not required parts of the basic financial statements. The information is the responsibility of management and is derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.



HAYS, MAGGARD & HOOD, P.C.

Glenwood Springs, Colorado

December 16, 2016

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

The mission of the Ouray County School District R-1, an educational community built on high expectations, is for all students to contribute responsibly in a global society by ensuring them an exceptional education in a safe and supportive environment. The Ouray School was originally built in 1883, although the history of education in Ouray began in the summer of 1876 with Elizabeth King as the first teacher in Ouray. Today the Ouray County School District R-1 provides K-12 education which strives to maintain an overall goal of, while educating the complete child, to remain a top 10% District as categorized by the Colorado Department of Education and be a recognized center of excellence for innovative education.

The discussion and analysis of the Ouray County School District R-1'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 and should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2016 are as follows:

- After recognition of the District's share of PERA under Governmental Accounting Standards No. 68 (see Note 1 & 7), which takes into account the District's proportional share of the State PERA net pension liability, there was an overall increase in net position of \$2,569,024 from the previous fiscal year. This increase is primarily the result of current year BEST grant funding of \$3,096,473 invested in building renovations.
- General Revenues accounted for \$2,861,616 or 46.2%, of all revenues. These general revenues include taxes, grants and entitlements not restricted to specific programs, and general interest and other revenues not related to specific programs. Program specific revenues, in the form of charges for services and sales, as well as program specific grants and contributions, accounted for \$3,333,981 or 53.8%, of the District's total revenues of \$6,195,597.
- The District had \$3,626,573 in expenses and capitalized \$4,838,026 in Capital Asset.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Ouray County School District R-1 as a financial whole, or as an entire operating activity.

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For the Ouray County School District R-1, the General Fund is the most significant fund. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the reporting entity. The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2016

REPORTING THE DISTRICT AS A WHOLE

Statement of Net Position and Statement of Activities

While this report contains all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the current fiscal year?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

The focus of the government-wide financial statements is on the overall financial position of the District. These statements are constructed around the concept of a primary government, the District. As described below, the financial statements of fiduciary funds are not included in the government-wide financial statements, because resources of these funds cannot be used to finance the District's activities. However, the financial statements of fiduciary funds are included in the fund financial statements because the District is financially accountable for those resources, even though they belong to other parties.

The two statements report the District's net position and changes therein. This change is important because it identifies whether the financial position of the District has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the District's property tax base, current property tax laws, enrollment levels, statutorily required reserves, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the School District is divided into two distinct kinds of activities:

Governmental Activities – Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance, pupil transportation, and extracurricular activities.

Business-Type Activities – Business-type activities are financed by some degree by charging external parties for the goods or services they acquire. The District currently has no Business-type activities.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2016

FUND FINANCIAL STATEMENTS

Fund financial reports provide detailed information about the District's major funds. The District considers all funds as significant, or major, funds. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations. The District's funds financial statements are divided into three broad categories; namely (1) governmental funds; (2) proprietary funds; and, (3) fiduciary funds. The District currently has no proprietary funds.

Governmental Funds – The District's activities in governmental funds focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between government-wide activities and the governmental funds is reconciled in the financial statements. The District's major governmental funds are:

General Fund – The General Fund is the District's primary operating fund and accounts for the majority of the District's instruction and support operations.

Food Service Fund – The Food Service Fund is a special revenue fund which accounts for the District's general food service activities with revenue sources specifically designated for such activities.

Student Activities Fund – The Student Activities Fund is a special revenue fund which accounts for student athletic/nonathletic activities with revenue sources raised specifically from such activities.

Capital Reserve Fund – The Capital Reserve Fund is a special revenue fund which accounts for the acquisition and maintenance of capital items such as facilities, vehicles, and equipment.

Bond Redemption Fund – The Bond Redemption Fund accounts for transactions related to debt service of the District's general obligation bonds and interest.

Building Fund – The Building Fund accounts for facilities acquisition and construction from restricted Bond issue (and future BEST grant) monies.

Proprietary Fund – Proprietary (enterprise) funds use the same basis of accounting as business-type activities; therefore, these statements are essentially the same. The District currently has no proprietary funds.

Fiduciary Fund – The District's fiduciary (or *Agency*) fund is reported in the Statements of Fiduciary Net Position. The activities are excluded from the District's governmental funds because the District cannot use these assets to finance its operations. The fiduciary is responsible for ensuring that these assets are used for their intended purposes. The fiduciary fund is the:

Student Activities Agency Fund – The Student Activities Agency Fund accounts for resources available for future distribution for student activities and groups.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

SUPPLEMENTARY & SUPPLEMENTAL INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information required by U.S. generally accepted accounting principles, as well as other supplemental information to assist the reader in a full understanding of the financial statements and additional schedules required by the Colorado Department of Education.

THE DISTRICT AS A WHOLE

The perspective of the statement of net position is of the District as a whole. Following is a summary of the District's net position for the fiscal years ending June 30, 2016 compared to 2015.

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
ASSETS:						
Current and Other Assets	\$ 3,832	\$ 4,454	\$ -	\$ -	\$ 3,832	\$ 4,454
Capital Assets, Net	8,574	3,828	-	-	8,574	3,828
	<u>12,406</u>	<u>8,282</u>	<u>-</u>	<u>-</u>	<u>12,406</u>	<u>8,282</u>
DEFERRED OUTFLOWS:						
Pensions, Net of Accum Amtz	1,198	340	-	-	1,198	340
	<u>1,198</u>	<u>340</u>	<u>-</u>	<u>-</u>	<u>1,198</u>	<u>340</u>
LIABILITIES:						
Current & Other Liabilities	1,590	404	-	-	1,590	404
Long-term Liabilities	2,784	2,897	-	-	2,784	2,897
Net Pension Liability	6,549	5,302	-	-	6,549	5,302
	<u>10,923</u>	<u>8,603</u>	<u>-</u>	<u>-</u>	<u>10,923</u>	<u>8,603</u>
DEFERRED INFLOWS:						
Pensions, Net of Accum Amtz	93	-	-	-	93	-
	<u>93</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93</u>	<u>-</u>
NET POSITION (2014 RESTATED):						
Invested in Capital Assets,						
Net of Related Debt	6,652	3,562	-	-	6,652	3,562
Restricted	1,349	3,017	-	-	1,349	3,017
Unrestricted	(5,413)	(6,560)	-	-	(5,413)	(6,560)
	<u>\$ 2,588</u>	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,588</u>	<u>\$ 19</u>

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and equipment) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Resources to repay debt on these assets must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2016

THE DISTRICT AS A WHOLE -- CONTINUED

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues and general property taxes, unrestricted state entitlements, and other general revenues, resulting in the overall change in net position for the current fiscal year:

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
REVENUES:						
Program Revenues:						
Charges for Services & Sales	\$ 57	\$ 37	\$ -	\$ -	\$ 57	\$ 37
Operating Grants & Contributions	125	141	-	-	125	141
Capital Grants and Contributions	3,152	-	-	-	3,152	-
Total Program Revenues	3,334	178	-	-	3,334	178
General Revenues:						
Property and Ownership Taxes	1,472	1,446	-	-	1,472	1,446
State Equalization, Net	1,332	1,323	-	-	1,332	1,323
Other General Revenues	58	49	-	-	58	49
Total General Revenues	2,862	2,818	-	-	2,862	2,818
Total Revenues	6,196	2,996	-	-	6,196	2,996
PROGRAM EXPENSES:						
Instruction	4,415	2,014	-	-	4,415	2,014
Support Services:						
Student Support	26	12	-	-	26	12
Instructional Staff	178	218	-	-	178	218
General Administration	140	161	-	-	140	161
School Administration	299	279	-	-	299	279
Business Support Services:						
Operations and Maintenance	259	280	-	-	259	280
Transportation	80	92	-	-	80	92
Insurance	59	56	-	-	59	56
Food Services	88	88	-	-	88	88
Facilities	-	17	-	-	-	17
Interest and Fiscal Charges	83	132	-	-	83	132
Total (Expenses)	3,627	3,349	-	-	3,627	3,349
Net Before Special Items and Transfers	2,569	(353)	-	(16)	2,569	(353)
Transfers In (Out)	-	45	-	34	-	-
Increase (Decrease) in Net Position	\$ 2,569	\$ (308)	\$ -	\$ 18	\$ 2,569	\$ (353)

Most of the District's revenues come from the Public School Finance Act of 1994 (SFA), which is comprised of general property taxes, specific ownership taxes and state equalization based on the statewide formula for pupil funding. In fiscal year 2016, approximately 47.5% of SFA funding came from state equalization and 52.5% from taxes.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2016

THE DISTRICT AS A WHOLE -- CONTINUED

THE DISTRICT AS A WHOLE -- NET COST OF SERVICES

As indicated above, the statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table summarizes the information from the statement of activities, reflecting the total cost of program services and the remaining net cost of program services supported by taxes and other general revenues:

<i>(In Thousands)</i>	Fiscal Year 2016		Fiscal Year 2015	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 2,415	\$ 2,240	\$ 2,014	\$ 1,902
Support Services:				
Student Support	26	26	12	12
Instructional Staff	178	175	218	210
General Administration	140	140	161	161
School Administration	299	299	279	279
Business Support Services:				
Operations and Maintenance	259	259	280	280
Transportation	80	73	92	83
Insurance	59	59	56	56
Food Services	88	45	88	39
Facilities	-	(3,106)	17	17
Interest and Fiscal Charges	83	83	132	132
NET COST OF SERVICES	\$ 3,627	\$ 293	\$ 3,369	\$ 317

The dependence on general revenues for governmental activities is apparent as before BEST grant funding is considered, approximately 93% and 95% of governmental activities were supported in 2016 and 2015, respectively, through taxes and other general revenues. The community as a whole is the primary support for the District's students.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2016

THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds are accounted for using the modified accrual basis of accounting.

Governmental Funds –

General Fund

The General Fund had an overall decrease in fund balance of \$145,527. After current year required restrictions of fund balance, the remaining unassigned fund balance of \$897,374 is the amount available for future spending.

Food Service Fund

The Food Service Fund had an overall decrease in fund balance of \$33,394. The ending fund balance of \$2,204 is the amount available for future spending.

Student Activities Fund

The Student Activities Fund had an overall increase in fund balance of \$10,130. The ending fund balance of \$10,958 is the amount available for future spending.

Capital Reserve Fund

The Capital Reserve Fund had an overall decrease in fund balance of \$11,474. The ending fund balance of \$77,161 is the amount available for future spending.

Bond Redemption Fund

The Bond Redemption Fund had an overall decrease in fund balance of \$1,259. The ending fund balance of \$170,347 is the amount available for future debt service.

Building Fund

The Building Fund had an overall decrease in fund balance of \$1,655,433. The ending fund balance of \$1,016,542 is the amount available for future capital outlay.

Fiduciary (Agency) Fund –

The *Student Activities Agency Fund* ended the year with \$123,839 available for future spending.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2016

GENERAL FUND BUDGETING HIGHLIGHTS

The District's procedures in establishing the budgetary data reflected in the financial statements is summarized in *Note 1(E)* of the financial statements. The District uses a line-item based budget which is designed to control line-item expenditures, but provide flexibility for overall budgetary management. During the course of the current fiscal year the District amended its General Fund budget as needed.

For the General Fund, actual revenues and other financing sources of \$2,812,004 were above final budgetary expectations of \$2,768,336 by \$43,668.

The District's General Fund actual expenditures and other financing uses of \$3,015,364 were less than the final appropriated balance of \$3,886,226 by \$870,862.

The Board of Directors and District management continue to strive to budget appropriate amounts for each individual line item and to provide services in the most economical manner. It is not anticipated that this year's budgetary variances will have a significant impact on future services or liquidity.

CAPITAL ASSETS

At the end of fiscal year 2016, the District had a total of \$8,574,581 invested in capital assets, net of accumulated depreciation. The following reflects the balances of the current and prior fiscal year:

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<i>Net of Depreciation:</i>						
Land and Improvements	\$ 234	\$ 234	\$ -	\$ -	\$ 234	\$ 234
Work-in-progress	4,991	225	-	-	4,991	225
Buildings & Improvements	3,236	3,300	-	-	3,236	3,300
Equipment & Vehicles	114	69	-	-	114	69
	<u>\$ 8,575</u>	<u>\$ 3,828</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,575</u>	<u>\$ 3,828</u>

DEBT ADMINISTRATION

At June 30, 2016 the District had \$2,896,850 in outstanding bonds, net of premium, of which the current principal portion to be paid in the next fiscal year is \$112,403. The bonds are being paid from a mill levy in the Bond Redemption fund over a 20 year period with the last payment due in fiscal year 2035.

Other long-term obligations consist of the District's proportionate share of the State PERA Net Pension Liability (see Note 1 & 7) in the amount of \$6,549,255.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2016

CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

The Public School Finance Act of 1994 (SFA) is the largest source of revenue for the District's operating funds. The SFA calculates per-pupil funding by school district based upon a formula using a number of factors including cost of living, number of students, district size, personnel vs. non-personnel costs, and number of at-risk students. The purpose of the SFA was to establish a financial base of support for public education, to move towards a uniform mill levy tax state-wide for all districts, and to limit future growth of and reliance upon property tax to support public education. Funding sources for the SFA are derived by the following formula:

Total Program Funding - local property taxes + general specific ownership taxes + state equalization

The United States and the State of Colorado have experienced unprecedented economic decline. One impact of this budget crisis is the reduction in the State of Colorado's general fund revenues. Because educational expenditures represent a significant portion of the State of Colorado's total expenditures, the District anticipates its future revenues may be impacted; if District revenues are reduced, the District will be required to reduce its future program expenditures. The Board and Administration will continue to carefully review spending to maintain a careful balance between education and fiscal responsibility.

The District anticipates completion of its comprehensive rehabilitation project for the Ouray School under the State of Colorado's Building Excellent Schools Today (BEST) program in the fiscal year 2016.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional information, please contact the:

Ouray County School District R-1
Attn: Business Office
400 7th Avenue; P.O. Box N
Ouray, CO 81427
Tel: (970) 325-4505
Fax: (970) 325-7343

GOVERNMENT-WIDE FINANCIAL STATEMENTS

OURAY COUNTY SCHOOL DISTRICT R-1

STATEMENT OF NET POSITION

June 30, 2016

	Total Governmental Activities
ASSETS:	
Current Assets	
Cash and Cash Equivalents	\$ 2,211,201
Receivables:	
Taxes	173,159
Intergovernmental	1,439,777
Other Receivables	5,522
Inventories	<u>2,321</u>
Total Current Assets	<u>3,831,980</u>
Capital Assets:	
Land and Improvements	233,514
Work-in-Progress	4,990,512
Buildings and Improvements	4,625,682
Equipment and Vehicles	527,705
Less Accumulated Depreciation	<u>(1,802,832)</u>
Total Capital Assets, Net of Depreciation	<u>8,574,581</u>
 TOTAL ASSETS	 <u>12,406,561</u>
 DEFERRED OUTFLOWS:	
Pensions, Net of Accumulated Amortization	<u>1,197,571</u>
TOTAL DEFERRED OUTFLOWS	<u>1,197,571</u>
 LIABILITIES:	
Accounts Payable	1,190,983
Accrued Salaries and Benefits	273,170
Accrued Interest Payable	7,885
Unearned Grant Revenues	5,412
Long-term Debt:	
Portion Due or Payable within One Year:	
General Obligations Bonds Series 2014B, Net	112,403
Portion Due or Payable After One Year:	
General Obligations Bonds Series 2014B, Net	2,784,447
Net Pension Liability	<u>6,549,255</u>
TOTAL LIABILITIES	<u>10,923,555</u>
 DEFERRED INFLOWS:	
Pensions, Net of Accumulated Amortization	<u>92,825</u>
TOTAL DEFERRED INFLOWS	<u>92,825</u>
 NET POSITION	
Invested in Capital Assets, Net of Related Debt	6,652,352
Restricted for:	
Debt Service	170,347
Capital Projects	1,093,703
Emergencies	85,000
Unrestricted	<u>(5,413,650)</u>
 TOTAL NET POSITION	 <u>\$ 2,587,752</u>

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

OURAY COUNTY SCHOOL DISTRICT R-1

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2016

	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>Charges For Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
GOVERNMENTAL ACTIVITIES:				
Instruction	\$ 2,415,299	\$ 36,716	\$ 92,009	\$ 46,008
General Support Services:				
- Student Based	25,361	-	-	-
- Instructional Staff	178,207	-	3,500	-
- General Administration	140,274	-	-	-
- School Administration	298,958	-	-	-
Business Support Services:				
- Operations and Maintenance	259,304	-	-	-
- Transportation	79,592	-	6,918	-
Insurance	59,341	-	-	-
Food Services	87,609	20,034	22,323	-
Facilities Noncapitalized Expenses	-	-	-	3,106,473
Interest and Other Fiscal Charges	82,628	-	-	-
Total Governmental Activities	<u>3,626,573</u>	<u>56,750</u>	<u>124,750</u>	<u>3,152,481</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 3,626,573</u>	<u>\$ 56,750</u>	<u>\$ 124,750</u>	<u>\$ 3,152,481</u>

GENERAL REVENUES:

Taxes:

Property Taxes, Levied For General Purposes
 Property Taxes, Levied For Debt Service
 Specific Ownership Taxes

State Equalization

Unrestricted Interest and Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

NET POSITION – BEGINNING OF YEAR

NET POSITION – END OF YEAR

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

Governmental Activities	Business-Type Activities	Total
\$ (2,240,566)	<i>(no business activities)</i>	\$ (2,240,566)
(25,361)		(25,361)
(174,707)		(174,707)
(140,274)		(140,274)
(298,958)		(298,958)
(259,304)		(259,304)
(72,674)		(72,674)
(59,341)		(59,341)
(45,252)		(45,252)
3,106,473		3,106,473
(82,628)		(82,628)
(292,592)		(292,592)
(292,592)		(2,929,592)
1,152,259		1,152,259
202,656		202,656
116,699		116,699
1,331,693		1,331,693
9,793		9,793
48,516		48,516
2,861,616		2,861,616
2,569,024		2,569,024
18,728		18,728
\$ 2,587,752		\$ 2,587,752

FUND FINANCIAL STATEMENTS

OURAY COUNTY SCHOOL DISTRICT R-1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	<u>General Fund</u>	<u>Food Service (Special Revenue) Fund</u>	<u>Student Activities Fund</u>	<u>Capital Reserve Fund</u>
ASSETS:				
Cash and Cash Equivalents	\$ 754,208	\$ 200	\$ 10,958	\$ 77,161
Receivables:				
Taxes	61,288	-	-	-
County Treasurer	11,342	-	-	-
Grants Receivable	24,512	-	-	-
Other	5,522	-	-	-
Inventories	-	2,321	-	-
Prepaid Expenses	-	-	-	-
Due From Other Funds	<u>416,548</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 1,273,420</u>	 <u>\$ 2,521</u>	 <u>\$ 10,958</u>	 <u>\$ 77,161</u>
 LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 12,464	\$ 317	\$ -	\$ -
Accrued Salaries and Benefits	273,170	-	-	-
Due To Other Funds	-	-	-	-
Unearned Grant Revenue	<u>5,412</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Liabilities	 <u>291,046</u>	 <u>317</u>	 <u>-</u>	 <u>-</u>
Fund Balances:				
Non-spendable	-	2,321	-	-
Restricted for Debt Service	-	-	-	-
Restricted for Tabor Emergencies	85,000	-	-	-
Restricted for Capital Outlay	-	-	-	77,161
Assigned	-	-	10,958	-
Unassigned	<u>897,374</u>	<u>(117)</u>	<u>-</u>	<u>-</u>
 Total Fund Balances	 <u>982,374</u>	 <u>2204</u>	 <u>10,958</u>	 <u>77,161</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 1,273,420</u>	 <u>\$ 2,521</u>	 <u>\$ 10,958</u>	 <u>\$ 77,161</u>

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

<u>Bond Redemption Fund</u>	<u>Building Fund</u>	<u>TOTAL</u>
\$ 343,426	\$ 1,025,248	\$ 2,211,201
9,042	-	70,330
1,988	-	13,330
-	1,401,935	1,426,447
-	-	5,522
-	-	2,321
-	-	-
-	-	416,548
<u>\$ 354,456</u>	<u>\$ 2,427,183</u>	<u>\$ 4,145,699</u>
\$ -	\$ 1,178,202	\$ 1,190,983
-	-	273,170
184,109	232,439	416,548
-	-	5,412
184,109	1,410,641	1,886,113
-	-	2,321
170,347	-	170,347
-	-	85,000
-	1,016,542	1,093,703
-	-	10,958
-	-	897,257
170,347	1,016,542	2,259,586
<u>\$ 354,456</u>	<u>\$ 2,427,183</u>	<u>\$ 4,145,699</u>

OURAY COUNTY SCHOOL DISTRICT R-1
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2016

TOTAL GOVERNMENTAL FUND BALANCES \$ 2,259,586

Amounts reported for governmental activities on the Statement of Net Position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental Capital Assets	\$ 10,377,413	
Less Accumulated Depreciation	<u>(1,802,832)</u>	8,574,581

Property taxes receivable that are due later than 60 days after year end are not available soon enough to pay for the current period's expenditures, and therefore not reported in the governmental funds.

102,829

Some liabilities are not due and payable in the current year and therefore, are not reported in the governmental funds.

Accrued Interest Payable	\$ (7,885)	
Current Portion of Bond Premium	(12,403)	
Current Portion of Long-Term Debt	<u>(100,000)</u>	(120,288)

Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds:

Bond Premium-Noncurrent Portion	\$ (229,447)	
Bonds Payable-Noncurrent Portion	(2,555,000)	
Net Pension Liability	(6,549,255)	
Deferred Outflows of Resources	1,197,571	
Deferred Inflows of Resources	<u>(92,825)</u>	<u>(8,228,956)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,587,752

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

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2016

	General Fund	Food Service (Special Revenue) Fund	Student Activities Fund	Capital Reserve Fund
REVENUES:				
Local Sources	\$ 1,317,516	\$ 20,034	\$ 8,721	\$ -
Intermediate Sources	19,400	-	-	-
State Sources	1,434,017	803	-	-
Federal Sources	41,071	21,520	-	-
Total Revenues	2,812,004	42,357	8,721	-
 EXPENDITURES:				
Instructional	1,861,693	-	68,591	-
Supporting Services:				
Student Based	25,361	-	-	-
Instructional Staff	178,207	-	-	-
General Administration	140,274	-	-	-
School Administration	287,458	-	-	11,474
Business Support Services:				
Operations and Maintenance	259,304	-	-	-
Transportation	65,867	-	-	-
Insurance	59,341	-	-	-
Food Services	-	89,751	-	-
Capital Outlay/Facilities	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Other Costs	-	-	-	-
Total Expenditures	2,877,531	85,751	68,591	11,474
Excess of Revenues Over (Under) Expenditures	(65,527)	(43,394)	(59,870)	(11,474)
 OTHER FINANCING SOURCES (USES):				
Transfers In	-	10,000	70,000	-
Transfers (Out)	(80,000)	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(145,527)	(33,394)	10,130	(11,474)
FUND BALANCES – Beginning	1,127,901	35,598	828	88,635
FUND BALANCES – Ending	\$ 982,374	\$ 2,204	\$ 10,958	\$ 77,161

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

<u>Bond Redemption Fund</u>	<u>Building Fund</u>	<u>TOTAL</u>
\$ 199,091	\$ -	\$ 1,545,362
-	-	19,400
-	3,109,668	4,544,488
-	-	62,591
<u>199,091</u>	<u>3,109,668</u>	<u>6,171,841</u>
-	-	1,930,284
-	-	25,361
-	-	178,207
-	-	140,274
-	-	298,958
-	-	259,304
-	-	65,867
-	-	59,341
-	-	85,751
-	4,765,101	4,765,101
105,000	-	105,000
95,350	-	95,350
-	-	-
<u>200,350</u>	<u>4,765,101</u>	<u>8,008,798</u>
(1,259)	(1,655,433)	(1,836,957)
-	-	80,000
-	-	(80,000)
(1,259)	(1,655,433)	(1,836,957)
<u>171,606</u>	<u>2,671,975</u>	<u>4,096,543</u>
<u>\$ 170,347</u>	<u>\$ 1,016,542</u>	<u>\$ 2,259,586</u>

OURAY COUNTY SCHOOL DISTRICT R-1
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2016

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ (1,836,957)

Amounts reported for governmental activities on the Statement of Activities are different because of the following:

Governmental Funds report capital outlays as expenditures, however, on the Statement of Activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. The net book value of asset dispositions is an adjustment to gain (loss) on the Statement of Activities. This is the amount by which capital outlay exceeded depreciation expense and loss on asset dispositions in the current period:

Capital Outlay	\$ 4,838,026	
Depreciation Expense	<u>(91,885)</u>	4,746,141

In Governmental Funds, revenues for property taxes are measured by the amount of current financial resources provided, including amounts due within 60 days after the end of the year; whereas, in the Statement of Activities, property taxes are measured as the revenue is earned. This is the amount by which current property taxes to be received after 60 days from the end of the year increased from the previous fiscal year: 23,756

Interest expense is recognized as an expenditure in the governmental funds when it is due as it requires the use of current financial resources; however, in the Statement of Activities interest expense is recognized as the interest accrues regardless of when due. This is the amount by which accrued interest decreased from the previous fiscal year: 112

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds, but issuing long-term debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Current Period Debt Proceeds, Net	\$ -	
Current Period Debt Repayment	<u>105,000</u>	105,000

Bond premium is recognized in governmental funds at issuance as a current resource, but is allocated over the term of the issue as bond premium accretion on the Statement of Activities. This is the amount of current year bond premium accretion. 12,610

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

Change in Net Pension Liability	\$ (1,246,512)	
Change in Deferred Outflows	857,303	
Change in Deferred Inflows	<u>(92,429)</u>	<u>(481,638)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,569,024

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

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF FIDUCIARY NET POSITION
STUDENT ACTIVITIES AGENCY FUND
For the Fiscal Year Ended June 30, 2016

	<u>STUDENT ACTIVITIES</u> <u>AGENCY FUND</u>
<u>ASSETS:</u>	
Cash and Cash Equivalents	\$ <u>123,839</u>
Total Assets	\$ <u>123,839</u>
<u>LIABILITIES:</u>	
Funds Held on Behalf of Student Activities	\$ <u>123,839</u>
Total Liabilities	\$ <u>123,839</u>

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

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Ouray County School District R-1 are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District is discussed below.

For the year ended June 30, 2016, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits.

A. Financial Reporting Entity

The Ouray County School District R-1 is organized under the laws of the State of Colorado and is governed by an elected five member Board of Education. Board of Education members are elected by the citizens of Ouray County, not appointed by any other governing body. The Board selects the superintendent of schools and senior level administrators. The Board is solely responsible for the District's budget adoption process. The District meets the criteria of a primary government; its Board is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent with the authority to: a) determine its budget without another government's authority to approve or modify; b) levy taxes or charges without another government's approval; and, c) issue bonded debt without approval by another government.

The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes.

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations that are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on these criteria, the District's financial statements do not include any component units, nor do they exclude any potential component units requiring inclusion in the District's reporting entity. The District is not a component unit of any other governmental reporting entity. The District's financial statements include the accounts of all District operations.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Financial Reporting Entity - continued

The District is a member of the Uncompahgre Board of Cooperative Educational Services (UnBOCES). The UnBOCES is a regional education service unit created under the "Board of Cooperative Services Act of 1965" and is governed by a board consisting of representatives from each participating district. The UnBOCES does not meet the criteria for inclusion within the reporting entity of the District due to the lack of an ongoing financial interest. Additional information regarding the District's participation is provided in *Note 12*.

B. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and statement of activities, and fund financial statements which provide a more detailed level of financial information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from general revenues of the District.

FUND FINANCIAL STATEMENTS

During the fiscal year, the District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance by segregating transactions related to certain governmental functions or activities. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting

Governmental accounting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. The District's funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations based upon the purposes for which they are to be spent and by the means by which spending activities are controlled. The various funds are grouped, in the financial statements, as follows:

GOVERNMENTAL FUNDS – those though which most governmental functions of the District are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between the governmental fund assets and liabilities is reported on the balance sheet as fund balance.

General Fund – used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to general statutory laws.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources other than special assessments and expendable trusts that are legally restricted to expend funds for specified purposes. The special revenue fund revenues/resources for the Food Service Fund account for grants and other revenues raised from general food services. The special revenue fund revenues/resources for the Student Activities Fund are amounts from revenues raised from various student activities. The special revenue fund resources for the Capital Reserve Fund are available balances restricted for capital outlay activities.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term bond obligation principal, interest and related costs. The Bond Redemption Fund is a Debt Service Fund.

Building Fund – The Building Fund is used to account for monies for major capital facilities and equipment additions.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting - continued

PROPRIETARY FUNDS

Enterprise Funds – Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing authority is that a) the costs of goods or services provided to the general public on a continuing basis be financed or recovered primarily through user charges; or b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The District's Food Service Enterprise Fund was discontinued and remaining assets were transferred to the general Food Service (Special Revenue) Fund per the Colorado Department of Education.

FIDUCIARY FUNDS – those through which the District's Fiduciary (*or Agency*) activities are reported. These activities are excluded from the District's governmental funds because the District cannot use these assets to finance its operations. The Fiduciary is responsible for ensuring these assets are used for their intended purpose. The Student Activities Agency Fund is a fiduciary fund.

D. Measurement Focus and Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

FUND FINANCIAL STATEMENTS

All governmental funds are accounted for using a flow of current expendable financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflect the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide and governmental fund statements.

Like the government-wide financial statements, enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operations are included on the statement of net position. The statement of changes in revenues, expenses, and changes in net position, presents increases (e.g., revenues) and decreases (e.g., expenses) therein. The statement of cash flows reflects how the School District finances and meets the cash flow needs of its enterprise funds.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING

While the measurement focus identifies *which* transactions and events should be recorded on the financial statements, the basis of accounting determines *when* transactions and economic events are reflected in financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Under the modified accrual basis of accounting, revenues are recorded when they are both measurable and available (often referred to as *susceptible to accrual*). Revenues are measurable when they are subject to reasonable estimation, while the available criterion is satisfied when revenues are collectible during the period and the actual collection will occur either (a) during the current period or (b) after the end of the period but in time to pay fund liabilities. The District considers revenues to be available if they are expected to be collected within 60 days of the end of the year.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. Grants, entitlements, and interest are recorded when they are susceptible to accrual. Expenditure-based grants are recorded as revenue when the conditions of the grants are satisfied. Property tax revenues are recognized when they are levied. Expenditures, if measurable, are recorded when they have used or are expected to use current expendable financial resources, except unmatured interest on general long-term debt is recorded when due.

Government-wide financial statements are prepared using the accrual basis of accounting.

Governmental funds and agency funds use the modified accrual basis of accounting and the flow of expendable financial resources (measurement focus).

Propriety fund types use the accrual basis of accounting and the flow of all economic resources (measurement focus). This basis of accounting and measurement focus emphasizes the measurement of net income similar to the approach used by commercial enterprises, and revenues are recorded when earned and expenses are recorded when incurred.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting

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

- Budgets are required by Colorado School District Budget Law for all funds of the District. The District legally adopted annual budgets for all of the District's funds.
- Prior to June 30, the budgets are adopted and appropriations made by formal resolution for the ensuing fiscal year commencing July 1. A public hearing on the proposed budget is held by the Board prior to adoption of the budget.
- Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds.
- Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund. Budget amounts included in the financial statements are based on the final, legally amended budget.
- Appropriations lapse at the end of each year, and the District's Board may adopt supplemental appropriations during the year. The Board legally amended the budget and adopted a supplemental appropriation of the budgeted ending fund balance during the year as reflected in the budgetary comparison schedules which are included as required and other supplemental information.
- Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation is utilized by the District for management purposes and internal budgetary control during the year, but is not used for financial reporting purposes. Encumbrances outstanding at year end are closed out and the fund balance is not reserved for any encumbrances outstanding. All appropriations lapse at year-end whether or not encumbered.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Fund Equity/Net Position

- 1) Cash and Investments – The District’s policy in determining which items are treated as cash equivalents include cash, demand deposits, treasury bills and other short-term, highly liquid investments that are readily convertible to cash and have original maturities of three months or less. Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last quoted market price. Cash deposits are reported at carrying amounts which reasonably estimates fair value.

- 2) Interfund Assets/Liabilities – Internal balances arise from outstanding amounts due to/from the District’s various funds. Interfund balances within governmental activities are eliminated on the government-wide Statement of Net Position.

- 3) Property Taxes and Property Tax Revenue – Property taxes are assessed on a calendar year basis. Property taxes attach as an enforceable lien on property as of January 1. They may be paid in either one installment (no later than April 30th) or two equal installments (no later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th. Property taxes are levied and collected on behalf of the District by Ouray County and are reported as revenue when received by the county treasurer.

Taxes receivable represent the 2015 assessed taxes yet to be collected in 2016. Amounts collectible subsequent to August 2016 have been accrued on the government-wide Statement of Net Position.

<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Amount of Taxes</u>			<u>Percent Collected</u>	
		<u>Levied</u>	<u>Budgeted</u>	<u>Received</u>	<u>Levied</u>	<u>Budgeted</u>
\$54,517,390	\$21,839	\$1,398,876	\$1,379,753	\$1,296,046	93%	94%

The District considers all amounts to be materially collectible; therefore, an allowance for estimated uncollectible taxes is not considered necessary.

- 4) Inventory – Inventory of the District’s Food Service Fund is valued as follows: Purchased food and non-food items are valued at cost, and U.S.D.A. donated commodity items are valued at U.S.D.A. unit pricing, substantially on a first-in-first out basis. Inventory items are charged to expenditures as consumed.

- 5) Capital Assets – Capital assets purchased or acquired with an original cost in excess of the capitalization threshold of \$3,000 set by the School District are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Fund Equity (continued)

- 5) Capital Assets (continued) - Depreciation on capital assets is provided on the straight-line basis over the following estimated useful lives:

Buildings & Improvements	20-75 years
Equipment	4-25 years
Vehicles	10 years

- 6) Compensated Absences – Vacation and personal leave do not vest or accumulate. All employees of the district work on a contract basis that provides for an agreed number of working days per year, so there is no paid vacation. District policy provides for 8 days sick leave and 4 days discretionary leave annually for all personnel. Unused leave can accumulate to a maximum of 30 days at which time the excess over 30 days is paid to employees at an established rate of 75% of the daily substitute teacher’s salary. All leave over 30 days is paid before year-end; therefore, there is no accrued liability because no unpaid leave has been vested.

- 7) Accrued Liabilities and Long-term Obligations – All payables, accrued liabilities and long-term obligations are reported on the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year.

Accrued Salaries and Benefits – Salaries of teachers and other contracted personnel are accrued as required by the Revised Financial Policies and Procedures Handbook. Teachers’ salaries are typically paid over a twelve-month period but are earned over a period of approximately nine months. This results in an outstanding liability at the end of the fiscal year. Accrued salaries at June 30 were \$273,170 with the incremental change charged to expenditures.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. If applicable, bonds premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. If applicable, bond issuance and any refunding costs are reported as deferred charges and amortized over the term of the related debt

In the governmental fund financial statements, bonds are recognized as a liability on the fund financial statements when due. The face amount of debt issued is reported as other financing sources. If applicable, premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. If applicable, issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Fund Equity (continued)

8) Net Position (government-wide financial statements) –

In the government-wide financial statements, net position is classified in the following categories:

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

Restricted – assets are reported as *restricted* when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by various enabling legislation.

Unrestricted – represents the amount which is not restricted for any purpose. It is the District's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

9) Fund Net Position (fund financial statements) –

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

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

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

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the Board of Education). These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

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

Unassigned – the residual for the general fund. It is the District's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Deferred Outflows and Inflows of Resources

The statement of net position and fund balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources, when applicable. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as revenue in future periods.

H. Unearned Revenues

When applicable, unearned revenues consist of revenue received before all eligibility requirements or allocable expenditures have been met or incurred.

I. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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 using the economic measurement focus and accrual basis of accounting.

J. Contributed Capital

Grants and contributions in the enterprise fund which may be used for either operations or capital expenditures at the discretion of the District are recognized as non-operating revenues. If expenditure of funds is the prime factor for determining eligibility for contributed funds, revenue or contributed capital is recognized at the time of expenditure.

K. Inter-fund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in the governmental funds and are non-operating revenues/expenses in the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Board of Education recognizes the importance of prudent and profitable investment of District monies and its responsibility in overseeing finances. It is District policy to invest public funds in a manner which will ensure the safety of funds, ensure that adequate funds are available at all times to meet the financial obligations of the District when due, ensure a market rate of return on the funds available for investment throughout the budget cycle, and ensure that all funds are deposited and invested in accordance with all federal, state and local statutes governing the investment of public funds.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102 percent of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. PDPA allows the institution to create a single collateral pool for all public funds. The pool is maintained by another institution or held in trust for all uninsured public deposits as a group. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

There is no custodial credit risk for public deposits collateralized under PDPA. The District's bank deposits were entirely covered by federal depository insurance (FDIC) or collateralized under PDPA in accordance with state statute, and had total bank balances of \$2,899,793 of which \$500,000 was covered by FDIC insurance.

A summary of the Districts cash and cash equivalents (including Agency funds) follows:

Checking/Bank Deposits	\$ 2,574,324
Certificates of Deposit	<u>325,469</u>
Total Balances	2,899,793
Net Outstanding Items	<u>(564,753)</u>
Total Cash and Cash Equivalents	<u>\$ 2,335,040</u>

The above amount is reflected as follows: Governmental Activities \$2,211,201 and Fiduciary Activities \$123,839.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 2 - CASH AND INVESTMENTS (continued)

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

- Obligations of the United States and certain U.S. governmental agency securities, including securities issued by FNMA (federal national mortgage association), GNMA (governmental national mortgage association), FHLMC (federal home loan mortgage corporation), the federal farm credit bank, the federal land bank, the export-import bank, and by the Tennessee Valley authority, and certain international agency securities, including the World Bank.
- General obligation and revenue bonds of U.S. local government entities, the District of Columbia, and territorial possessions of the U.S. rated in the highest two rating categories by two or more nationally recognized rating agencies.
- Bankers' acceptances of certain banks
- Certain securities lending agreements
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed Investment contracts
- Local government investment pools
- The investing local government's own securities including certificates of participation and lease obligations.

Risk Disclosures

Additional investment and deposit disclosures for credit risk, interest rate risk, and foreign currency risk, as required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, are included in the notes below.

To minimize custodial credit risk, or the risk that an insurer or other counterparty to an investment will not fulfill its obligations, state law limits investments to those where the issuer is rated in one of the three highest rating categories by one or more nationally recognized organizations that rate such issuers.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 2 - CASH AND INVESTMENTS (continued)

Risk Disclosures (continued)

The concentration of credit risk, or the risk of loss attributed to the magnitude of a government's investment in a single issuer, occurs when deposits are not diversified. The District's policy places no limit on the amount the District may invest in any one issuer; however the District maintains general guidelines for investments to ensure proper diversification by security type and institution. All investments are issued or explicitly guaranteed by securities of the U.S. government, or insured by the Public Depository Protection Act, or are investments in mutual fund or external investment pools, and therefore are not subject to concentration of credit risk.

The District was not subject to foreign currency risk as of June 30, 2016.

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The District maintains an investment policy that limits investment maturities to three years as means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows. Investments subject to interest rate risk disclosures are shown below:

	<u>Fair Value</u>	<u>Accrued Interest</u>	<u>Maturity</u>
Certificate of Deposit	\$ 200,000	\$313	07/14/16
Certificate of Deposit	\$ 125,000	\$156	07/21/16

Additional disclosures for deposits and investments are included in *Note 1*.

NOTE 3 - FAIR VALUES OF FINANCIAL INSTRUMENTS

The District has a number of financial instruments, including cash and equivalents, receivables, and accounts payable, none of which are held for trading purposes. The District estimates that the fair values of its financial instruments at year end does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 4 - CAPITAL ASSETS

Capital asset activity for fiscal year ended June 30, 2016 was as follows:

	Balances June 30, 2015	Additions	Reclassifications Transfers and Dispositions	Balances June 30, 2016
<u>GOVERNMENTAL ACTIVITIES</u>				
Land and Improvements	\$ 233,514	\$ -	\$ -	\$ 233,514
Work-In-Progress	225,411	4,765,101	-	4,990,512
Depreciable Capital Assets:				
Buildings and Improvements	4,625,682	-	-	4,625,682
Equipment	69,329	72,925	-	142,254
Transportation Equipment	340,028	-	-	340,028
Food Service Equipment	45,423	-	-	45,423
Total Capital Assets	5,539,387	4,838,026	-	10,377,413
Less Accumulated Depreciation	(1,710,947)	(91,885)	-	(1,802,832)
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 3,828,440</u>	<u>\$ 4,746,141</u>	<u>\$ -</u>	<u>\$ 8,574,581</u>

Depreciation expense was charged to functions/programs as follows:

Instructional	\$ 76,302
Transportation	13,725
Food Service	1,858
Total for Governmental Activities	<u>\$ 91,885</u>

NOTE 5 - LONG-TERM DEBT

All long-term debt is within Governmental Activities. Changes in the District's long-term debt during the fiscal year are as follows:

	Balance at 06/30/15	Additions	Reductions	Balance at 06/30/16	Amounts Due Within One Year
General Obligation Bonds:					
Series 2014-A	\$ 65,000	\$ -	\$ (65,000)	\$ -	\$ -
Premium	209	-	(209)	-	-
Series 2014-B	2,695,000	-	(40,000)	2,655,000	100,000
Premium	254,252	-	(12,402)	241,850	12,403
TOTAL	<u>\$ 3,014,461</u>	<u>\$ -</u>	<u>\$ (117,611)</u>	<u>\$ 2,896,850</u>	<u>\$ 112,403</u>

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

General Obligation Bonds Series 2004

General Obligation Bonds in the face amount of \$1,675,000 were issued in 2004 for a current refunding of \$1,520,000 of General Obligation Bonds Series 2005 in order to reduce the District's total debt service. The reacquisition price exceeded the net carrying amount of the refunded debt by \$155,000, amortized over the refunded debt's life, and resulted in a savings of net interest cost of \$251,340 and a net present value savings of \$81,251. The Series 2004 bonds were refunded with the issuance of the District's General Obligation Bonds Series 2014A (see below), along with a direct principal reduction of \$123,174 from funds in the District's existing refunding bond fund account. The debt service of the Series 2004 Bonds is recorded in the Bond Redemption Fund.

General Obligation Bonds Series 2014-A

General Obligation Bonds in the face amount of \$65,000 were issued in December 2014 for a current refunding of \$65,000 of the above General Obligation Bonds Series 2004 in order to reduce the District's total debt service. The reacquisition price exceeded the net carrying amount of the refunded debt by \$418, amortized over the refunded debt's life, and resulted in a savings of net interest cost of \$6,531 equal to the current net present value savings, whereas the General Obligation Bonds Series 2014-A require a single payment of principal and interest at 1% due on December 1, 2016. The debt service for the Series 2014-A Bonds is accounted for in the Bond Redemption Fund. The Bond registrar and paying agent is UMB Bank, N.A.

General Obligation Bonds Series 2014-B

General Obligation Bonds in the face amount of \$2,695,000, plus premium of \$260,453 to be amortized over the term of the bonds, were issued in December 2014 to be used to acquire, construct, repair and improve the District capital assets and to pay costs of issuing the Bonds. All taxable property within the boundaries of the District is subject to ad valorem taxation without limitation as to rate and in an amount sufficient to pay the principal of and interest on the Bonds when due. The Series 2014-B Bonds require semiannual payments of interest at a net effective interest rate of 3.18%, with principal amounts due on December 1 of each year with the final payment due on December 1, 2035. The debt service of the Series 2004 Bonds is recorded in the Bond Redemption Fund. The Bond registrar and paying agent is UMB Bank, N.A. The annual requirements to amortize the Series 2014-B Bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	100,000	93,625	193,625
2018	100,000	91,625	191,625
2019	105,000	89,575	194,575
2020	105,000	87,475	192,475
2021	110,000	84,775	194,775
2022-2026	600,000	366,088	966,088
2027-2031	890,000	265,600	1,155,600
2032-2035	645,000	48,700	693,700
TOTAL	\$ 2,655,000	\$ 1,127,463	\$ 3,782,463

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

General Obligation Bonds Series 2014-B (continued)

The General Obligation Bonds Series 2014-B maturing on or before December 1, 2024 are not subject to redemption prior to their respective maturity dates; the Series 2014-B Bonds maturing on or after December 1, 2025 are subject to redemption prior to maturity at the option of the District, in whole or in part, and if in part, in such order of maturity as the District shall determine and by lot within any maturity in such manner as the paying agent shall determine, on December 1, 2024 and on any date thereafter, at a redemption price (expressed as a percentage of principal amount) of 100%, plus accrued interest to the redemption date.

The Series 2014-B Bonds maturing on December 1, 2028, December 1, 2030, December 1, 2033 and December 1, 2035 are subject to mandatory sinking fund redemption, prior to maturity, in part, by lot in such manner as the bond registrar shall determine, on December 1 of each year set forth below, upon payment of par and accrued interest, without redemption premium, in the amounts set forth below:

<u>Year (Maturing) / Redemption</u>	<u>Principal Amount</u>
(2028) / 2027	\$ 140,000
(2028) / 2028	145,000
(2030) / 2028	150,000
(2030) / 2028	155,000
(2033) / 2028	165,000
(2033) / 2028	170,000
(2033) / 2028	175,000
(2035) / 2028	180,000
(2035) / 2035 (final maturity)	120,000

BUSINESS-TYPE ACTIVITIES

The District has no long-term debt in the Business-type Activities as of June 30, 2016.

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2016 the following were outstanding internal balances:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 416,548	\$ -
Bond Redemption Fund	-	184,109
Building Fund	-	232,439
	<u>\$ 416,548</u>	<u>\$ 416,548</u>

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 7 - DEFINED BENEFIT 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 as defined in Governmental Accounting Standards Board (GASB) Statement No. 67 and administered by the Colorado Public Employees' Retirement Association (PERA). PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at: www.copera.org/investments/pera-financial-reports . 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 provision of the Federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly.

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. Section 24-51-602, 604, 1713 and 1714.

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

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

It is possible for employees participating in the SCHDTF to have earned service credit under the Denver Public Schools (DPS) Benefit Structure while working for a previous employer; therefore the DPS Benefit Structure is shown below, where the lifetime retirement benefit for all eligible retiring employees under the DPS Benefit Structure is the greater of the:

- *Highest average salary multiplied by 2.5 percent and the multiplied by years of service credit.*
- *\$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.*

In all cases the service retirement benefit is limited to 100% of the highest average salary and cannot exceed the maximum benefit allowed by the 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 benefits earned. If eligible, the member may receive a match of either 50% or 100% 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.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 7 - DEFINED BENEFIT PENSION PLAN - continued

Benefits Provided - continued

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

Disability benefits are available for eligible employees once they reach 5 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 show 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. Section 24-51-401, *et seq.* Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized below:

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$304,465 during the year ended June 30, 2016.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 7 - DEFINED BENEFIT PENSION PLAN - continued

Actuarial Assumptions

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

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

NOTE 8 - 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 \$6,549,255 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 the District's contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, the District's proportion was 0.0428215549%, which was an increase of 0.0036966228% from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$806,842. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	86,484	273
Changes of assumptions or other inputs	-	92,552
Net difference between projected and actual earnings on pension plan investments	556,870	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	391,543	-
Contributions subsequent to the measurement date	162,674	-
TOTAL	1,197,571	92,825

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 8 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS - continued

The amount of \$162,674 reported as deferred inflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of 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 expenses as follows:

<u>Year Ended December 31,</u>	<u>Outflows</u>	<u>Inflows</u>
2017	\$ 151,037	\$ 4,852
2018	146,071	3,433
2019	86,071	80
2020	-	-
2021	-	-
Thereafter	-	-

Mortality rates were based on the RP-2000 Combined Mortality Tables 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:

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 disable members elect to receive a refund.
- Remove negative value adj for liabilities associated with refunds of future terminating mbrs.
- Adjustment to timing of 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.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 8 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS - continued

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%	

NOTE: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term rates 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%. 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 annual at 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 by 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 transferred for 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 transfer 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.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 8 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS - continued

Sensitivity of the Ouray County School District R-1's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

Sensitivity of the Net Pension Liability	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Proportionate Share of the Net Pension Liability	8,489,748	6,549,255	4,935,126

Pension Plan Fiduciary Net Position

Detailed information about the SCHDTF's fiduciary net position is available in PERA's comprehensive annual financial report at www.copera.org/investments/pera-financial-reports.

NOTE 9 - 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 at www.copera.org/investments/pera-financial-reports.

Funding Policy

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District currently has no matching contributions for covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2016, program members contributed \$15,783 and the District recognized pension expense and a liability of \$0 and \$0, respectively, for the Voluntary Investment Program.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS: Health Care Trust Fund

Plan Description

The District contributes to the Health Care Fund (HCTF), a cost-sharing multiple-employer healthcare trust administered by the 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 PERA Care 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 the following website: www.copera.org/investments/pera-financial-reports.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

*NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS: Health Care Trust Fund - continued
Funding Policy*

The District is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. The District's contributions to HCTF for the years ending June 30, 2016, 2015, and 2014 were \$17,882, \$17,336, and \$16,446, respectively, equal to their required contributions for each year.

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors and omissions; injuries to employees; or acts of God. The District maintains commercial insurance for all risks of loss. There have been no significant reductions in coverage from prior year and settled claims have not exceeded coverage in any of the past three years. The District participates in the Colorado School District's Self-Insurance Pool, a joint venture of school districts and related entities. The District's share of the Pool is not determined except for premiums paid during the year.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of the date of the financial statements, the District was not aware of any amounts to be refunded to the Colorado Department of Education. The District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the District.

The District was not subject to any claims at the date of the financial statements. The District believes that any potential claims against the District, not covered by insurance, would not materially affect the financial statements of the District.

NOTE 13 - JOINTLY GOVERNED ORGANIZATION

The District is a member of the Uncomphahgre Board of Cooperative Educational Services (UnBOCES). The UnBOCES is a jointly governed organization of five regional school districts, including the Ouray County School District, with each member district appointing a member to the UnBOCES board of directors whom are in control of budgeting and finance. The UnBOCES does not meet the criteria for inclusion within the reporting entity of the District due to the lack of an ongoing financial interest. The UnBOCES financial statements can be obtained directly from that entity.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 14 - STUDENT ACTIVITIES AGENCY FUND BUDGET AND ACTUAL

The District prepares a budget for the Student Activities Agency Fund; however, there is not a Statement of Revenues, Expenditures and Changes in Fund Balance because Agency Funds do not recognize revenues, expenditures or fund balance in accordance with GAAP. Budget and actual amounts for the Student Activities Agency Fund are as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Beginning Budgetary Basis	\$ 105,447	\$ 105,447	\$ -
Receipts	104,553	176,545	71,992
Disbursements	<u>(210,000)</u>	<u>(160,134)</u>	<u>49,866</u>
Ending Budgetary Basis	<u>\$ -</u>	<u>\$ 121,858</u>	<u>\$ 121,858</u>

NOTE 15 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. General Compliance Requirements

The District appears to be in compliance with material legal, contractual and accounting provisions, as prescribed by Federal and State laws and statutes. See also Note 15 (C) below regarding budgetary compliance requirements.

B. TABOR Amendment – Tax, Spending and Debt Limitations

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all Colorado local governments. The initial base for local government spending and revenue limits was June 30, 1993 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government. Except for bond refinancing at a lower interest rate or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments. In November 1998 the District's electorate passed a ballot issue allowing the District to collect, retain and expend revenues not withstanding any of TABOR'S limitations.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service and expenditures of Federal Awards). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases. The total emergency reserve was \$85,000 as of June 30, 2016.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 16 - SUBSEQUENT EVENTS

Management of the District has evaluated events subsequent to June 30, 2016 through the issuance date of this report. There has been no material event noted during this period that would either impact the results reflected in this report or the District's results going forward.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES FOR THE
GENERAL FUND AND SPECIAL REVENUE FUNDS

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND

For the Fiscal Year Ended June 30, 2016

	GENERAL FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources:				
General Property Taxes	\$ 1,187,096	\$ 1,187,096	\$ 1,128,250	\$ (58,846)
Specific Ownership Taxes	58,729	58,729	116,699	57,970
Delinquent Taxes and interest	8,000	8,000	3,832	(4,168)
Tuitions	17,500	17,500	27,095	9,595
Interest and Other Revenues	22,500	22,500	41,640	19,140
Intergovernmental:				
Local Government Sources	19,755	19,755	19,400	(355)
State Sources	1,401,926	1,401,926	1,434,017	32,091
Federal Sources	52,830	52,830	41,071	(11,759)
Total Revenues	<u>2,768,336</u>	<u>2,768,336</u>	<u>2,812,004</u>	<u>43,668</u>
EXPENDITURES:				
Instructional	2,005,272	2,005,272	1,861,693	143,579
Supporting Services:				
Student Based	26,512	26,512	25,361	1,151
Instructional Staff	213,872	213,872	178,207	35,665
General Administration	199,350	199,350	140,274	59,076
School Administration	298,148	298,148	287,484	10,664
Business Support Services:				
Operations and Maintenance	278,490	278,490	259,304	19,186
Transportation	62,964	62,964	65,867	(2,903)
Insurance	76,497	76,497	59,341	17,156
Appropriated Reserves	580,121	580,121	-	580,121
Total Expenditures	<u>3,741,226</u>	<u>3,741,226</u>	<u>2,877,531</u>	<u>863,695</u>
Excess of Revenues Over (Under) Expenditures	(972,890)	(972,890)	(65,527)	907,363
OTHER FINANCING SOURCES (USES):				
Operating Transfers (Out)	(102,000)	(102,000)	(80,000)	22,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(1,074,890)	(1,074,890)	(145,527)	929,363
FUND BALANCE – BEGINNING	<u>1,074,890</u>	<u>1,074,890</u>	<u>1,127,901</u>	<u>53,011</u>
FUND BALANCE – ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 982,374</u>	<u>\$ 982,374</u>

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

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – FOOD SERVICE FUND
For the Fiscal Year Ended June 30, 2016

	FOOD SERVICE (Special Revenue) FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources:				
Charges for Services	\$ 24,650	\$ 24,650	\$ 20,034	\$ (4,616)
Intergovernmental:				
State Sources	675	675	803	128
Federal Sources	20,000	20,000	21,520	1,520
Total Revenues	<u>45,325</u>	<u>45,325</u>	<u>42,357</u>	<u>(2,968)</u>
EXPENDITURES:				
Food Services:				
Salaries	30,590	30,590	34,399	(3,809)
Employee Benefits	16,540	16,540	13,728	2,812
Purchased Services	800	800	1,297	(497)
Supplies and Materials:				
Purchased Food	25,300	25,300	30,241	(4,941)
Donated Commodities	3,000	3,000	4,302	(1,302)
Supplies	1,000	1,000	1,339	(339)
Capital Outlay	2,000	2,000	-	2,000
Contingency	11,693	11,693	445	11,248
Total Expenditures	<u>90,923</u>	<u>90,923</u>	<u>85,751</u>	<u>5,172</u>
Excess of Revenues Over (Under) Expenditures	(45,598)	(45,598)	(43,394)	2,204
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(35,598)	(35,598)	(33,394)	2,204
FUND BALANCE – BEGINNING	<u>35,598</u>	<u>35,598</u>	<u>35,598</u>	<u>-</u>
FUND BALANCE – ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,204</u>	<u>\$ 2,204</u>

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

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – STUDENT ACTIVITY FUND
For the Fiscal Year Ended June 30, 2016

	STUDENT ACTIVITY FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Charges for Services	\$ 7,450	\$ 7,450	\$ 8,721	\$ 1,271
Interest and Other Revenues	3,500	3,500	-	(3,500)
Total Revenues	<u>10,950</u>	<u>10,950</u>	<u>8,721</u>	<u>(2,229)</u>
EXPENDITURES:				
Student Activities	<u>98,609</u>	<u>98,609</u>	<u>68,591</u>	<u>30,018</u>
Total Expenditures	<u>98,609</u>	<u>98,609</u>	<u>68,591</u>	<u>30,018</u>
Excess of Revenues Over (Under) Expenditures	(87,659)	(87,659)	(59,870)	27,789
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(17,659)	(17,659)	10,130	27,789
FUND BALANCE – BEGINNING	<u>17,659</u>	<u>17,659</u>	<u>828</u>	<u>(16,831)</u>
FUND BALANCE – ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,958</u>	<u>\$ 10,958</u>

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

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – CAPITAL RESERVE FUND
For the Fiscal Year Ended June 30, 2016

	CAPITAL RESERVE FUND			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES:				
Other Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES:				
Administration – Capital Outlay	20,000	20,000	11,474	8,526
Transportation – Capital Outlay	50,000	50,000	-	50,000
Facilities – Capital Outlay	40,635	40,635	-	40,635
Total Expenditures	110,635	110,635	11,474	99,161
Excess of Revenues Over (Under) Expenditures	(110,635)	(110,635)	(11,474)	99,161
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	22,000	22,000	-	(22,000)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(88,635)	(88,635)	(11,474)	77,161
FUND BALANCE – BEGINNING	88,635	88,635	88,635	-
FUND BALANCE – ENDING	\$ -	\$ -	\$ 77,161	\$ 77,161

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

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

AND

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2016

<u>Colorado PERA:</u>	Reporting Fiscal Year / (Measurement Date)	
	2016 / (2015)	2015 / (2014)
District's proportion of the Net Pension Liability	.0428215549%	.0391249321%
District's proportionate share of the Net Pension Liability	\$ 6,549,255	\$ 5,302,743
District's covered-employee payroll	\$ 1,753,123	\$ 1,699,573
District's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll	373.5%	312.0%
Plan fiduciary net position as a percentage of the total pension liability	59.16%	62.84%

NOTE: 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 is presenting information for those years for which information is available.

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
JUNE 30, 2016

	Reporting Fiscal Year	
<u>Colorado PERA:</u>	2016	2015
Statutorily Required Contribution	\$ 309,924	304,465
District Contributions in relation to the statutorily required contribution	309,924	304,465
District contribution deficiency (excess)	\$ -	\$ -
District's covered-employee payroll	\$ 1,753,123	\$ 1,699,573
District's contributions as a percentage of covered-employee payroll	17.68%	17.9%

NOTE: 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 is presenting information for those years for which information is available.

OTHER SUPPLEMENTAL INFORMATION

GENERAL FUND

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Revenue from Local Sources:			
Current Property Taxes	\$ 1,187,096	\$ 1,128,250	\$ (58,846)
Specific Ownership Taxes	58,729	116,699	57,970
Delinquent Taxes and Interest	8,000	3,832	(4,168)
Tuitions	17,500	27,095	9,595
E Rate Revenues	-	4,392	4,392
Online Education	500	900	400
Interest & Other Revenues	22,000	36,348	14,348
Total Revenue from Local Sources	1,293,825	1,317,516	23,691
Revenue from Intermediate Sources:			
Mineral and Forest Leasing	19,755	19,400	(355)
Total Revenue from Intermediate Sources	19,755	19,400	(355)
Revenue from State Sources:			
State Equalization	1,322,777	1,331,693	8,916
State Transportation	6,650	6,918	268
Grants and Contributions	72,499	95,406	22,907
Total Revenue from State Sources	1,401,926	1,434,017	32,091
Revenue from Federal Sources:			
Title I	24,732	24,744	12
Title IIA	6,048	6,067	19
Race to the Top	100	-	(100)
Carl Perkins	4,000	3,760	(240)
Small Rural Schools Achievement	17,950	6,500	(11,450)
Total Revenue from Federal Sources	52,830	41,071	(11,759)
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 2,768,336	\$ 2,812,004	\$ 43,668

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2016

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES:			
<i>INSTRUCTION:</i>			
Salaries	\$ 1,239,692	\$ 1,210,920	\$ 28,772
Employee Benefits	482,032	420,506	61,526
Purchased Services	145,803	111,212	34,591
Supplies and Materials	50,875	37,988	12,887
Capital Outlay	78,400	71,218	7,182
Other Expenditures	8,470	9,849	(1,379)
<i>TOTAL INSTRUCTION</i>	<i>2,005,272</i>	<i>1,861,693</i>	<i>143,579</i>
<i>GENERAL SUPPORT SERVICES:</i>			
<i>Student Based:</i>			
Salaries	-	-	-
Employee Benefits	-	-	-
Purchased Services	25,712	24,999	713
Supplies and Materials	800	362	438
Subtotal	26,512	25,361	1,151
<i>Instructional Staff:</i>			
Salaries	155,318	154,221	1,097
Employee Benefits	17,804	10,526	7,278
Purchased Services	6,250	589	5,661
Supplies and Materials	29,500	8,825	20,675
Capital Outlay	4,500	3,544	956
Other Expenditures	500	502	(2)
Subtotal	213,872	178,207	35,665
<i>General Administration:</i>			
Salaries	68,476	70,598	(2,122)
Employee Benefits	25,774	26,831	(1,057)
Purchased Services	72,100	35,361	36,739
Supplies and Materials	2,000	1,331	669
Capital Outlay	200	125	75
Other Expenditures	30,800	6,028	24,772
Subtotal	199,350	140,274	59,076
<i>School Administration:</i>			
Salaries	201,658	203,332	(1,674)
Employee Benefits	92,140	82,698	9,442
Purchased Services	900	54	846
Supplies	2,300	940	1,360
Other Expenditures	1,150	460	690
Subtotal	298,148	287,484	10,664
<i>TOTAL GENERAL SUPPORT</i>	<i>\$ 737,882</i>	<i>\$ 631,326</i>	<i>\$ 106,556</i>

(continued on next page)

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2016

<i>(continued)</i>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>BUSINESS SUPPORT SERVICES:</i>			
Operation and Maintenance:			
Salaries	\$ 92,335	\$ 98,497	\$ (6,162)
Employee Benefits	39,455	30,067	9,388
Purchased Services	58,700	52,511	6,189
Supplies and Materials	83,00	72,170	10,830
Capital Outlay	5,000	6,059	(1,059)
Subtotal	<u>278,490</u>	<u>259,034</u>	<u>19,186</u>
Student Transportation:			
Salaries	14,970	19,084	(4,114)
Employee Benefits	2,994	3,808	(814)
Purchased Services	25,000	31,046	(6,046)
Supplies and Materials	20,000	11,929	8,071
Subtotal	<u>62,964</u>	<u>65,867</u>	<u>(2,903)</u>
<i>TOTAL BUSINESS SUPPORT</i>	<u>341,454</u>	<u>325,171</u>	<u>16,283</u>
<i>INSURANCE:</i>			
Purchased Services	<u>76,497</u>	<u>59,341</u>	<u>17,156</u>
<i>TOTAL INSURANCE</i>	<u>76,497</u>	<u>59,341</u>	<u>17,156</u>
<i>APPROPRIATED RESERVES</i>			
	<u>580,121</u>	<u>-</u>	<u>580,121</u>
<i>OTHER FINANCING USES – Transfers Out</i>			
	<u>145,000</u>	<u>137,833</u>	<u>7,167</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 3,886,226</u>	<u>\$ 3,015,364</u>	<u>\$ 870,862</u>

OURAY COUNTY SCHOOL DISTRICT R-1
COMBINING BALANCE SHEET
GENERAL FUND (FUND 10: GENERAL AND FUND 18: INSURANCE RESERVE FUND)
For the Fiscal Year Ended June 30, 2016

	<u>GENERAL (FUND 10)</u>	<u>INSURANCE RESERVE (FUND 18)</u>	<u>TOTAL GENERAL FUND</u>
ASSETS:			
Cash and Cash Equivalents	\$ 754,208	\$ -	\$ 754,208
Receivables:			
Taxes	61,288	-	61,288
County Treasurer	11,342	-	11,342
Intergovernmental Grants	24,512	-	24,512
Other	5,522	-	5,522
Prepaid Expenses	-	-	-
Due From Other Funds	<u>416,548</u>	<u>-</u>	<u>416,548</u>
TOTAL ASSETS	<u>\$ 1,273,420</u>	<u>\$ -</u>	<u>\$ 1,273,420</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 12,464	\$ -	\$ 12,464
Accrued Salaries and Benefits	273,170	-	273,170
Due to Other Funds	-	-	-
Unearned Grant Revenue	<u>5,412</u>	<u>-</u>	<u>5,412</u>
Total Liabilities	<u>291,046</u>	<u>-</u>	<u>291,046</u>
Fund Balances:			
Non-spendable	-	-	-
Reserved for Emergencies	85,000	-	85,000
Unreserved	<u>897,374</u>	<u>-</u>	<u>897,374</u>
Total Fund Balances	<u>982,374</u>	<u>-</u>	<u>982,374</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,273,420</u>	<u>\$ -</u>	<u>\$ 1,273,420</u>

OURAY COUNTY SCHOOL DISTRICT R-1
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND (FUND 10: GENERAL AND FUND 18: INSURANCE RESERVE FUND)
For the Year Ended June 30, 2016

	<u>GENERAL (FUND 10)</u>	<u>INSURANCE RESERVE (FUND 18)</u>	<u>TOTAL GENERAL FUND</u>
REVENUES:			
Local Sources	\$ 1,317,516	\$ -	\$ 1,317,516
Intermediate Sources	19,400	-	19,400
State Sources	1,434,017	-	1,434,017
Federal Sources	<u>41,071</u>	<u>-</u>	<u>41,071</u>
Total Revenues	<u>2,812,004</u>	<u>-</u>	<u>2,812,004</u>
EXPENDITURES:			
Instructional	1,861,693	-	1,861,693
Supporting Services:			
Student Based	25,361	-	25,361
Instructional Staff	178,207	-	178,207
General Administration	140,274	-	140,274
School Administration	287,484	-	287,484
Business Support Services:			
Operations and Maintenance	259,304	-	259,304
Transportation	65,867	-	65,867
Insurance	<u>-</u>	<u>59,341</u>	<u>59,341</u>
Total Expenditures	<u>2,818,190</u>	<u>59,341</u>	<u>2,877,531</u>
Excess of Revenues Over (Under) Expenditures	(6,186)	(59,341)	(65,527)
OTHER FINANCING SOURCES (USES):			
Transfers In (Out)	<u>(137,833)</u>	<u>57,833</u>	<u>(80,000)</u>
Excess of Revenues and Other Financings Sources Over (Under) Expenditures and Other Financing (Uses)	(144,019)	(1,508)	(145,527)
FUND BALANCES – Beginning	<u>1,126,393</u>	<u>1,508</u>	<u>1,127,901</u>
FUND BALANCES – Ending	<u>\$ 982,374</u>	<u>\$ -</u>	<u>\$ 982,374</u>

OTHER SUPPLEMENTAL INFORMATION

BOND REDEMPTION (DEBT SERVICE) FUND

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
BOND REDEMPTION FUND
For the Fiscal Year Ended June 30, 2016

	BOND REDEMPTION FUND			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES:				
Local Sources:				
Property Taxes	\$ 192,657	\$ 192,657	\$ 198,510	\$ 5,853
Delinquent Taxes and Interest	-	-	567	567
Interest & Investment Earnings	-	-	14	14
Total Revenues	<u>192,657</u>	<u>192,657</u>	<u>199,091</u>	<u>6,434</u>
EXPENDITURES:				
Debt Service:				
Principal	105,000	105,000	105,000	-
Interest	95,298	95,298	95,350	(52)
Contingency	163,965	163,965	-	163,965
Total Expenditures	<u>364,263</u>	<u>364,263</u>	<u>200,350</u>	<u>163,913</u>
Excess of Revenues Over (Under) Expenditures	(171,606)	(171,606)	(1,259)	170,347
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(171,606)	(171,606)	(1,259)	170,347
FUND BALANCE – BEGINNING	<u>171,606</u>	<u>171,606</u>	<u>171,606</u>	<u>-</u>
FUND BALANCE – ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,347</u>	<u>\$ 170,347</u>

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

OTHER SUPPLEMENTAL INFORMATION

BUILDING FUND

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
BUILDING FUND
For the Fiscal Year Ended June 30, 2016

	BUILDING FUND			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES:				
State Best Grant Revenues	\$ 4,818,674	\$ 4,818,674	\$ 3,096,473	\$ (1,722,201)
Other Local Revenues	-	-	10,000	10,000
Interest and Investment Earnings	-	-	3,195	3,195
Total Revenues	<u>4,818,674</u>	<u>4,818,674</u>	<u>3,109,668</u>	<u>(1,709,006)</u>
EXPENDITURES:				
Facilities – Capital Outlay	<u>7,490,649</u>	<u>7,490,649</u>	<u>4,765,101</u>	<u>2,725,548</u>
Total Expenditures	<u>7,490,649</u>	<u>7,490,649</u>	<u>4,765,101</u>	<u>2,725,548</u>
Excess of Revenues Over (Under) Expenditures	(2,671,975)	(2,671,975)	(1,655,433)	1,016,542
OTHER FINANCING SOURCES (USES):				
Operating Transfers In(Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(2,671,975)	(2,671,975)	(1,655,433)	1,016,542
FUND BALANCE – BEGINNING	<u>2,671,975</u>	<u>2,671,975</u>	<u>2,671,975</u>	<u>-</u>
FUND BALANCE – ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,016,542</u>	<u>\$ 1,016,542</u>

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

COLORADO DEPARTMENT OF EDUCATION REQUIREMENTS

ELECTRONIC FINANCIAL DATA
INTEGRITY CHECK FIGURES

AND

BOLDED BALANCE SHEET REPORT



Colorado Department of Education
Auditors Integrity Report
 District: 2580 - OURAY R-1
 Fiscal Year 2015-16
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	1,126,393	2,674,171	2,818,190	982,374
18 Risk Mgmt Sub-Fund of General Fund	1,508	57,833	59,341	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub-Total	1,127,901	2,732,004	2,877,531	982,374
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
21 Food Service Spec Revenue Fund	35,598	49,286	82,681	2,204
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	828	78,720	68,591	10,958
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	171,606	199,091	200,350	170,347
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	2,671,975	3,109,668	4,765,101	1,016,542
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	88,635	0	11,473	77,161
Totals	4,096,543	6,168,770	8,005,727	2,259,587
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	105,447	176,545	160,134	121,858
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	105,447	176,545	160,134	121,858

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.



Colorado Department of Education

Bolded Balance Sheet Report

District: 2580 - OURAY R-1

Fiscal Year 2015-16

Colorado School District/BOCES

Governmental

Proprietary

Fiduciary

ASSETS	Governmental			Proprietary				Fiduciary			Totals		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60		Trust & Agency Funds 70-79	Foundations Fund 85
Cash and Investments (8100-8104,8111)	754,207	0	0	200	10,958	343,426	1,102,409	0	0	0	123,839	0	2,335,039
Cash with Fiscal Agent (8105)	11,342	0	0	0	0	1,988	0	0	0	0	0	0	13,330
Taxes Receivable (8121,8122)	61,288	0	0	0	0	9,042	0	0	0	0	0	0	70,330
Interfund Loans Receivable (8131,8132)	416,548	0	0	0	0	0	0	0	0	0	0	0	416,548
Grants Accounts Receivable (8142)	24,512	0	0	0	0	0	1,401,935	0	0	0	0	0	1,426,448
Other Receivables (8151-8154,8161)	5,522	0	0	0	0	0	0	0	0	0	0	0	5,522
Inventories (8171,8172,8173)	0	0	0	2,321	0	0	0	0	0	0	0	0	2,321
Prepaid Expenses 8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	1,273,420	0	0	2,521	10,958	354,455	2,504,345	0	0	0	123,839	0	4,269,538

	Governmental						Proprietary				Fiduciary		
LIABILITIES & FUND EQUITY													
LIABILITIES	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Interfund Payables (7401,7402)	0	0	0	0	0	184,109	232,440	0	0	0	0	0	416,548
Other Payables (7421-7423)	12,464	0	0	317	0	0	1,178,202	0	0	0	1,981	0	1,192,963
Accrued Expenses (7461)	273,170	0	0	0	0	0	0	0	0	0	0	0	273,170
Grants Deferred Revenue (7482)	5,412	0	0	0	0	0	0	0	0	0	0	0	5,412
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	291,045	0	0	317	0	184,109	1,410,641	0	0	0	1,981	0	1,888,093

Governmental

Proprietary

Fiduciary

FUND EQUITY	Governmental					Proprietary					Fiduciary		Totals
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	
Non-spendable Fund Balance 6710	0	0	0	2,321	0	0	0	0	0	0	0	0	2,321
Restricted Fund Balance 6720	0	0	0	0	0	170,347	1,093,703	0	0	0	0	0	1,264,050
TABOR 3% Emergency Reserve 6721	85,000	0	0	0	0	0	0	0	0	0	0	0	85,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0
Assigned Fund Balance 6760	0	0	0	0	10,958	0	0	0	0	0	0	0	10,958
Unassigned Fund Balance 6770	897,374	0	0	-117	0	0	0	0	0	0	121,858	0	1,019,115
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	982,374	0	0	2,204	10,958	170,347	1,093,703	0	0	0	121,858	0	2,381,445
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	1,273,420	0	0	2,521	10,958	354,455	2,504,345	0	0	0	123,839	0	4,269,538
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk related activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	
For Each Fund Type: Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes