

**SARGENT SCHOOL DISTRICT RE-33J  
MONTE VISTA, COLORADO**

**FINANCIAL STATEMENTS  
June 30, 2016**

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*By Justin L. Smith at 4:20 pm, Feb 28, 2017*



**Wall,  
Smith,  
Bateman** Inc.

Certified Public Accountants

**SARGENT SCHOOL DISTRICT RE-33J**  
**TABLE OF CONTENTS**  
**June 30, 2016**

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Management's Discussion and Analysis</b>	3
<b>Basic Financial Statements:</b>	
Government -wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Governmental Fund Financial Statements:	
Balance Sheet	17
Reconciliation of Total Governmental Fund Balances to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Assets and Liabilities	21
Notes to the Basic Financial Statements	22
<b>Required Supplementary Information</b>	
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
General Fund	40
Schedule of the District's Proportionate Share of the Net Pension Liability - PERA SCHDTF Pension Plan	41
Schedule of District Contributions - PERA SCHDTF Pension Plan	42
<b>Supplementary Information:</b>	
Combining Schedules of Nonmajor Governmental Funds:	
Combining Balance Sheet	43
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	44
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Federal Programs Fund	45
Pupil Activity Fund	46
Food Service Fund	47
Capital Reserve Capital Projects Fund	48
Bond Redemption Fund	49
Report on Compliance with CDE – Financial Policies and Procedures Manual	50
Colorado School District Auditor's Integrity Report	



Wall,  
Smith,  
Bateman Inc.

## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Sargent School District RE-33J  
Monte Vista, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sargent School District RE-33J (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### 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 the aggregate remaining fund information of the District, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Certified Public Accountants**

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## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, and pension information on pages 3-14 and 40-42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

*Wall, Smith, Bateman Inc.*

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

February 14, 2017

**Sargent School District RE-33J  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

As management of the Sargent School District, we offer readers of the Sargent School District's financial statements this narrative overview and analysis of the financial activities of the Sargent School District for the year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the District's financial statements, which follow this section.

**Financial Highlights 2016**

- The District's financial status declined over the course of the 2016 fiscal year. Total net position decreased \$332,836.
- General revenues, primarily property taxes and state equalization payments, account for approximately \$4,064,616 or 88% percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$564,987 or 12% percent of total revenues of \$4,629,603.
- The District had \$4,962,439 in expenses related to governmental activities; General revenues of \$4,064,616 were inadequate to provide for these programs by \$897,823.
- Outlays for capital assets were primarily comprised of purchase of technology.
- The District decreased its outstanding long-term debt by approximately \$205,000.

**Financial Highlights 2015**

- The District's financial status declined over the course of the 2015 fiscal year. Total net position decreased \$350,575.
- General revenues, primarily property taxes and state equalization payments, account for approximately \$3,939,909 or 90% percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$422,622 or 10 percent of total revenues of \$4,362,531.
- The District had \$4,713,006 in expenses related to governmental activities; General revenues of \$3,939,909 were inadequate to provide for these programs by \$773,097.
- Outlays for capital assets were primarily comprised of purchase of technology.
- The District decreased its outstanding long-term debt by approximately \$200,000.

**Sargent School District RE-33J  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Overview of the Financial Statements**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental fund statements tell how basic services such as instruction were financed in the short term as well as what remains for future spending.
- Fiduciary fund statements provide information about the financial relationships in which the district acts solely as a trustee or agent for the benefit of others.

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

**District-wide Financial Statements**

The district-wide financial statements are designed to provide readers a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Sargent School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the Sargent School District is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

Both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. Included in governmental activities are most of the District's basic services such as regular and special education,

**Sargent School District RE-33J  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

transportation, and administration. The District doesn't have any services accounted for as business-type activities.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to track specific sources of funding and spending on particular programs. The Sargent School District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are divided into two categories: governmental funds and fiduciary funds.

*Governmental Funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the district-wide statements, additional information on the reconciliations explain the relationship (or differences) between them.

Sargent School District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in the fund balances for the (1) general fund (2) the pupil activity fund (3) bond redemption fund (4) the federal programs fund (5) food service fund, and (6) capital reserve capital projects fund.

*Fiduciary Funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government, such as scholarship funds and student activity funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the District's own programs.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information. Supplementary information includes budget-to-actual information for all proprietary and governmental funds that are not major special revenue funds as dictated by state law.

**Sargent School District RE-33J  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**District-wide Financial Analysis**

Table 1 provides a summary of the District's net position at June 30, 2015 and 2016.

**Table 1  
Statement of Net Position**

	Governmental Activities 2015	Governmental Activities 2016
<b>Assets</b>		
Current Assets	\$ 2,005,617	\$ 2,175,063
Capital Assets (net of accumulated depreciation)	\$22,177,400	\$21,711,903
<b>Total Assets</b>	<u>\$24,183,017</u>	<u>\$23,886,966</u>
<b>Deferred Outflows of Resources</b>	<u>\$345,830</u>	<u>\$935,798</u>
<b>Liabilities</b>		
Current Liabilities	\$ 346,303	\$368,242
Long-term Liabilities:		
Due within one year	\$ 206,700	\$ 215,000
Due more than one year	\$10,877,893	\$11,241,743
<b>Total Liabilities</b>	<u>\$111,430,896</u>	<u>\$11,824,985</u>
<b>Deferred inflows of Resources</b>	\$209,073	\$441,737
<b>Net Position</b>		
Invested in Capital Assets	\$18,007,400	\$17,746,903
Restricted for:		
TABOR	\$112,000	\$112,000
Debt Service	\$150,000	\$191,000
Capital Projects	\$374,153	\$390,552
Unrestricted	\$(5,754,675)	\$(5,884,413)
<b>Total Net Position</b>	<u>\$12,888,878</u>	<u>\$12,556,042</u>

**Sargent School District RE-33J  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

Table 2 provides a summary of the changes in net position. Following Table 2 is a specific discussion related to overall revenues and expenses.

**Statement of Activities  
For 2015 and 2016**

	FY 2015	FY 2016
Governmental Activities		
REVENUES		
Program Revs:		
Charges for Services	\$110,066	\$106,034
Operating Grants & Cont.	\$312,556	\$458,953
General Revs:		
Property Taxes	\$1,373,502	\$1,431,132
State Equalization	\$2,391,336	\$2,410,022
Other Revenues	\$175,071	\$223,462
<b>Total Revenues</b>	<b>\$4,362,531</b>	<b>\$4,629,603</b>
Expenses:		
Instructional Program	\$2,482,329	\$2,630,515
Student Support	\$241,009	\$202,973
Instr Staff Support Svs	\$119,394	\$126,195
General Admin Support	\$229,119	\$306,534
School Admin Support	\$241,205	\$231,073
Business Support Svs	\$125,835	\$142,346
O & M Plans Svs	\$550,246	\$590,050
Student Transportation	\$211,760	\$206,384
Central Support Services	\$52,658	\$51,144
Facilities Acquisition	\$62,661	\$107,943
Interest- Long Term Debt	\$176,853	\$168,260
Food Services	\$219,937	\$199,022
<b>Total Expenses</b>	<b>\$4,713,006</b>	<b>\$4,962,439</b>
Net Position- Beginning of yr., as previously stated	\$19,717,666	\$12,888,878
Change in Accounting Principal	(\$6,478,313)	-
Increase/Decrease		
Net Position Beginning	\$13,239,353	\$12,888,878
Transfers		-
Change in Net Position	(\$350,475)	(\$332,836)
Ending Net Position	\$12,888,878	\$12,556,042

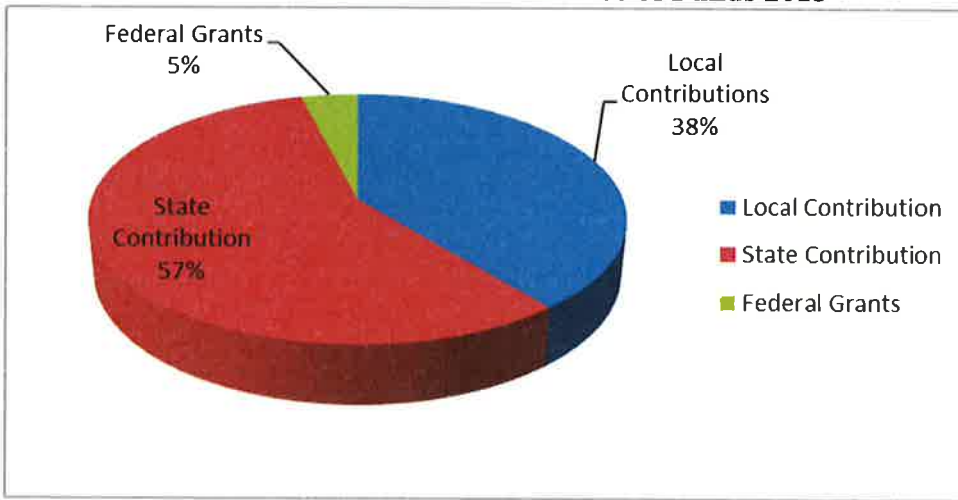
**Sargent School District RE-33J  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

Property taxes and per pupil state formula revenue (state equalization) account for most of the District's revenue, contributing about 86%. State and Federal grants and private partnership grants contribute the remaining 14% of revenue.

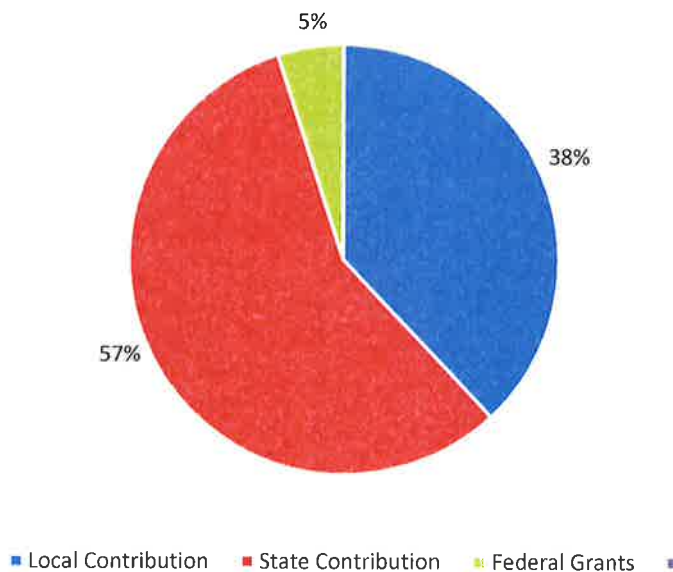
The District expenses predominantly relate to instruction and support services, which includes support for students and instructional staff, administration, operations and maintenance, and transportation. Given that Sargent School District is a service organization providing education services to students, the majority of expenses are paid in the form of compensation (salaries and benefits) to the District's employees.

Detailed on the next pages in Tables 3a & 3b and 4a & 4b are charts displaying District source of funds and the use of funds for the total school district.

**Table 3a District Source of Funds 2015**

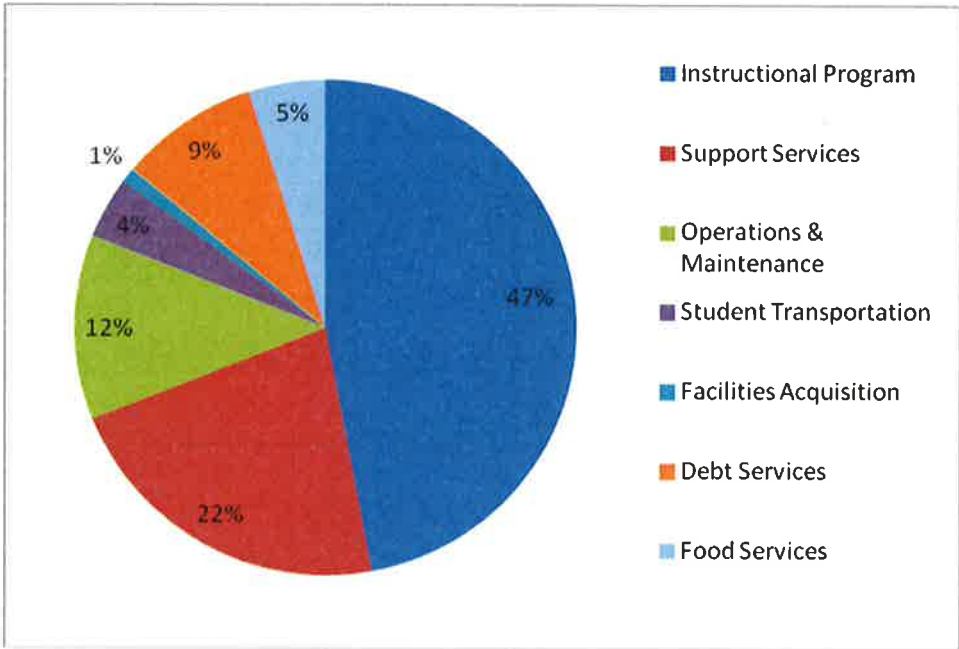


**Table 3b District Source of Funds 2016**

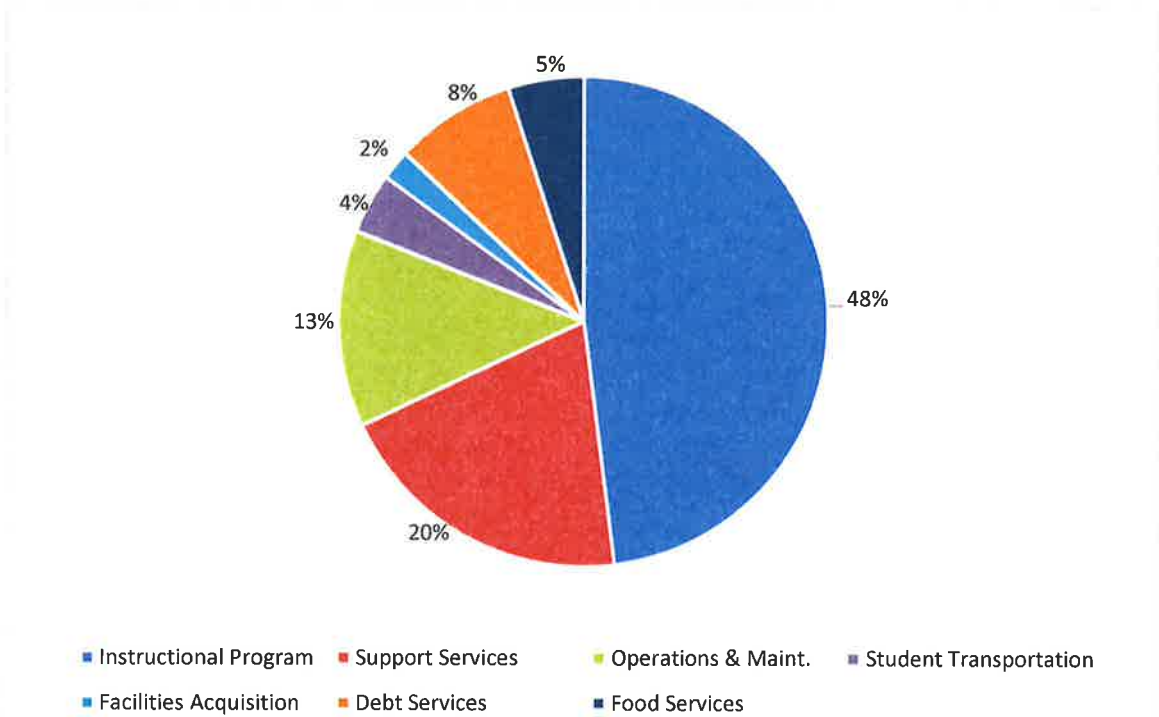


**Sargent School District RE-33J  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Table 4a District Use of Funds 2015**



**Table 4b District Use of Funds 2016**



**Sargent School District RE-33J  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Governmental Activities**

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the district received \$8,968.47 per funded student. Starting in 2010, the legislature added a negative factor to the School Finance Formula. With this factor the district's adjusted per pupil funding was \$7,907.47 for FY 2016. The averaged funded pupil count was 422.8, with an October count of 394.5. Program funding comes from property taxes, specific ownership taxes and state equalization. The district received approximately 70% of funding from state equalization while the remaining amounts came from local taxes. State law allows school districts to obtain an additional 20% of funding from local property taxes. This is accomplished by successfully passing a mill levy override ballot question.

In November 2000 the Sargent School District electorate passed with 69% of the vote a mill levy override for general fund taxes to be increased by \$75,000 annually beginning with the 2000/01 fiscal year and for each fiscal year thereafter to provide funds to purchase a bus and/or other capital needs.

In November 2008 the Sargent School District electorate passed a mill levy override to increase debt \$5,000,000. This money was used to provide the District's matching funds for the BEST grant used to fund the construction of the new school in 2010.

The statement of activities provides the cost of program services and the related charges for services and grants offsetting those costs. Table 5 reflects each program's net cost (total cost less fees generated by the programs and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these programs.



**Sargent School District RE-33J  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

and \$2,428 in investment earnings and other miscellaneous revenues not pertaining specifically to a program.

**Financial Analysis of the District's Funds**

Information about the District's funds starts on page 17. These funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues of \$4,629,603 and expenditures of \$4,482,096. The net change in total fund balance for the year was an increase of \$147,507.

**General Fund Budgetary Highlights**

The District approves a budget in June based on enrollment projections for the following school year. In January, 2016 the District revised the annual operating budget approved by the District's Board of Education in June 2015.

General Fund total expenditures were \$1,026,500 less than budgeted; this includes budgetary reserves of \$1,000,017.

The primary reason for the revised budget was to reflect the October student count. Actual revenue of \$3,909,219 exceeded the budgetary amount by \$52,327. Total expenditures were \$3,610,495. Transfer to other funds in the amount of \$147,000 results in a net increase of \$151,724. The fund balance at the beginning of the year was \$1,232,453 and the fund balance at the end of the year was \$1,386,177.

**Capital Assets**

By the end of the fiscal year 2016, the District had invested \$21,711,903 in a broad range of capital assets, including land, buildings, site improvements, vehicles and other equipment. (See Table 6 on next page).

**Sargent School District RE-33J  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Table 6  
Capital Assets (net of depreciation)**

	Governmental Activities 2015	Governmental Activities 2016
Land & Improvements	\$128,621	\$128,621
Construction in Progress		
Buildings	\$24,747,257	\$24,747,257
Land Improvements	\$105,750	\$105,750
Machinery & Equipment	\$792,129	\$805,188
Vehicles	\$616,317	\$616,317
Less Accum. Depreciation	\$(4,212,674)	\$(4,691,230)
Totals	\$22,177,400	\$21,711,903

**Table 7b  
Long-term liability balances for the year ended June 30, 2016 were as follows:**

	Beginning Balance 6/30/15	Additions	Deletions	Ending Balance 6/30/16	Due Within One Year
G.O. Bonds Payable	\$4,170,000	-	\$205,000	\$3,965,000	\$215,000
Compensated Absences	\$ 9,448	\$806		\$ 10,254	\$ -
Total	\$4,179,448	\$806	\$205,000	\$3,975,254	\$215,000

**Sargent School District RE-33J  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future.

- Information from the 2016-2017 student enrollment "October count" shows that Sargent School District has 29 fewer students than last year, resulting in a decrease in revenue from the funded pupil count.
- Based on historical trends, our projections for student enrollment for fall 2017 will show District enrollment is declining.
- 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, which are expected to continue to decline. Because educational expenditures represent a significant portion of the State of Colorado's total expenditures, the District anticipates its revenues will be adversely impacted. If the District revenues are reduced, the District will be required to reduce its future expenditures.
- The Sargent School District has a long history for academic excellence and small class sizes. Approximately 66% of the students that attend Sargent Schools are not resident students. The District must maintain its tradition of excellence to keep enrollment at its current level. The state revenue that follows these non-resident students is very important to the financial success of the District.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent of Schools, Sargent School District, 7090 N. Road 2 E., Monte Vista, CO 81144.

**SARGENT SCHOOL DISTRICT RE-33J**  
**BASIC FINANCIAL STATEMENTS**

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**SARGENT SCHOOL DISTRICT RE-33J**

**STATEMENT OF NET POSITION**

**June 30, 2016**

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 2,117,198
Accounts Receivable	37,238
Due from Other Governments	11,087
Inventory	9,540
<b>Capital Assets</b>	
Land	128,621
Buildings and Improvements	24,747,257
Land Improvements	105,750
Equipment	805,188
Vehicles	616,317
Less: Accumulated Depreciation	(4,691,230)
<b>TOTAL ASSETS</b>	<u>23,886,966</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	935,798
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>935,798</u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	28,239
Accrued Salaries and Benefits	337,963
Unearned Grant Revenue	2,040
General Obligation Bonds - Due within one year	215,000
<b>Long-term Liabilities</b>	
General Obligation Bonds	3,750,000
Compensated Absences	10,254
Pension Liability	7,481,489
<b>TOTAL LIABILITIES</b>	<u>11,824,985</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	441,737
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>441,737</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	17,746,903
Restricted for:	
TABOR	112,000
BEST Reserve	191,000
Debt Service	390,552
Unrestricted	(5,884,413)
<b>TOTAL NET POSITION</b>	<u>\$ 12,556,042</u>

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

**SARGENT SCHOOL DISTRICT RE-33J**  
**STATEMENT OF ACTIVITIES**  
**Fiscal Year Ended June 30, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
Instructional Program	\$ 2,630,515	\$ -	\$ 252,258	\$ -	\$ (2,378,257)
Student Supporting Services	202,973	-	17,864	-	(185,109)
Instructional Staff Supporting Services	126,195	-	-	-	(126,195)
General Administration Supporting Services	306,534	-	-	-	(306,534)
School Administration Supporting Services	231,073	-	-	-	(231,073)
Business Supporting Services	142,346	-	-	-	(142,346)
Operations and Maintenance of Plant Services	590,050	-	-	-	(590,050)
Student Transportation Services	206,384	31,458	115,532	-	(59,394)
Central Supporting Services	51,144	-	-	-	(51,144)
Food Services	199,022	74,576	73,299	-	(51,147)
Facilities Acquisition and Construction	107,943	-	-	-	(107,943)
Interest on Long-term Debt	168,260	-	-	-	(168,260)
<b>Total Governmental Activities</b>	<b>4,962,439</b>	<b>106,034</b>	<b>458,953</b>	<b>-</b>	<b>(4,397,452)</b>
<b>Total Primary Government</b>	<b>\$ 4,962,439</b>	<b>\$ 106,034</b>	<b>\$ 458,953</b>	<b>\$ -</b>	<b>(4,397,452)</b>
<b>General Revenues</b>					
Taxes:					
					1,431,132
					174,184
					4,006
					2,410,022
					2,428
					42,844
					<b>4,064,616</b>
<b>Total General Revenues</b>					
<b>Change in Net Position</b>					(332,836)
<b>Net Position, Beginning of Year</b>					12,888,878
<b>Net Position, End of Year</b>					<b>\$ 12,556,042</b>

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

**SARGENT SCHOOL DISTRICT RE-33J**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**June 30, 2016**

	GENERAL FUND	BOND REDEMPTION FUND	TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,681,927	\$ 378,567	\$ 56,704	\$ 2,117,198
Accounts Receivable	21,941	8,835	6,462	37,238
Due From Other Governments	7,937	3,150	-	11,087
Inventory	-	-	9,540	9,540
<b>TOTAL ASSETS</b>	<b>\$ 1,711,805</b>	<b>\$ 390,552</b>	<b>\$ 72,706</b>	<b>\$ 2,175,063</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 20,292	\$ -	\$ 7,947	\$ 28,239
Accrued Salaries and Benefits	307,336	-	30,627	337,963
Unearned Grant Revenue	-	-	2,040	2,040
<b>TOTAL LIABILITIES</b>	<b>327,628</b>	<b>-</b>	<b>40,614</b>	<b>368,242</b>
<b>FUND BALANCE</b>				
Nonspendable:				
Inventory	-	-	9,540	9,540
Restricted:				
TABOR	112,000	-	-	112,000
BEST Capital Renewal Reserve	191,000	-	-	191,000
Debt Service	-	390,552	-	390,552
Committed:				
Facilities	40,203	-	-	40,203
Technology	-	-	-	-
Assigned:				
Pupil Activities	-	-	17,458	17,458
Food Service	-	-	5,197	5,197
Residential	9,716	-	-	9,716
Curriculum	85,904	-	-	85,904
Designated for Subsequent Years	870,538	-	-	870,538
Unassigned	74,816	-	(103)	74,713
<b>TOTAL FUND BALANCE</b>	<b>1,384,177</b>	<b>390,552</b>	<b>32,092</b>	<b>1,806,821</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,711,805</b>	<b>\$ 390,552</b>	<b>\$ 72,706</b>	<b>\$ 2,175,063</b>

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

**SARGENT SCHOOL DISTRICT RE-33J**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2016**

<b>Total governmental fund balances</b>		<b>\$ 1,806,821</b>
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.		21,711,903
Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in the governmental funds, but must be deferred in the statement of net position.		935,798
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds.		
General Obligation Bonds	\$ (3,965,000)	
Compensated Absences	(10,254)	
		(3,975,254)
Net pension liabilities are not due and payable in the current period and are not reported in the funds.		(7,481,489)
Certain amounts related to the net pension liability are deferred and amortized over time. These are not reported in the funds.		(441,737)
<b>Net position of governmental activities</b>		<b>\$ 12,556,042</b>

**SARGENT SCHOOL DISTRICT RE-33J**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2016**

	<u>GENERAL FUND</u>	<u>BOND REDEMPTION FUND</u>	<u>TOTAL NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES</b>				
Federal Sources	\$ 49,585	\$ -	\$ 196,078	\$ 245,663
State Sources	2,583,332	-	26,965	2,610,297
Local Sources	1,276,302	389,659	107,682	1,773,643
<b>TOTAL REVENUES</b>	<u>3,909,219</u>	<u>389,659</u>	<u>330,725</u>	<u>4,629,603</u>
<b>EXPENDITURES</b>				
Instructional Program	1,958,832	-	184,933	2,143,765
Student Supporting Services	178,657	-	13,888	192,545
Instructional Staff Supporting Services	109,561	-	9,974	119,535
General Administration Supporting Services	239,319	-	-	239,319
School Administration Supporting Services	213,307	-	-	213,307
Business Supporting Services	136,130	-	-	136,130
Operations and Maintenance of Plant Services	562,453	-	-	562,453
Student Transportation Services	161,092	-	-	161,092
Central Supporting Services	51,144	-	-	51,144
Food Services	-	-	181,603	181,603
Facilities Acquisition and Construction	-	-	107,943	107,943
Debt Service	-	373,260	-	373,260
<b>TOTAL EXPENDITURES</b>	<u>3,610,495</u>	<u>373,260</u>	<u>498,341</u>	<u>4,482,096</u>
Excess (deficiency) of revenues over expenditures	<u>298,724</u>	<u>16,399</u>	<u>(167,616)</u>	<u>147,507</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	-	-	147,000	147,000
Transfers to Other Funds	(147,000)	-	-	(147,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(147,000)</u>	<u>-</u>	<u>147,000</u>	<u>-</u>
Net Change in Fund Balance	151,724	16,399	(20,616)	147,507
<b>FUND BALANCE, Beginning of Year</b>	<u>1,232,453</u>	<u>374,153</u>	<u>52,708</u>	<u>1,659,314</u>
<b>FUND BALANCE, End of Year</b>	<u>\$ 1,384,177</u>	<u>\$ 390,552</u>	<u>\$ 32,092</u>	<u>\$ 1,806,821</u>

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

**SARGENT SCHOOL DISTRICT RE-33J**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2016**

**Net change in fund balances - total governmental funds** \$ 147,507

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

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

Fixed Asset Addition	\$	13,059	
Depreciation expense		(478,556)	
			(465,497)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payment on general obligation bonds			205,000
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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 the governmental funds.

Compensated Absences			(806)
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Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension expense.

			(219,040)
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<b>Change in net position of governmental activities</b>			<b>\$ (332,836)</b>
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**SARGENT SCHOOL DISTRICT RE-33J**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**For the Year Ended June 30, 2016**

	<u><b>STUDENT ACTIVITY AGENCY FUND</b></u>
<b>ASSETS</b>	
Cash	\$ 50,577
<b>TOTAL ASSETS</b>	<u>\$ 50,577</u>
<b>LIABILITIES</b>	
Pupil Activities Deposits	\$ 50,577
<b>TOTAL LIABILITIES</b>	<u>\$ 50,577</u>

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

**SARGENT SCHOOL DISTRICT RE-33J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the District reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*.

**REPORTING ENTITY**

***Primary Government***

Sargent School District RE-33J is a public school as established by Colorado State Statute. The District is declared to be a corporate body with perpetual existence and in its name may hold property, sue and be sued, and be a party to contracts for any purpose authorized by law. Members of the school board are voted on at large by the registered, qualified electors of the District. Taxes are levied upon all taxable property within the District's boundaries by the County Commissioners. The County Treasurer collects the taxes and remits them to the District. The District also receives State and Federal funds. The Board of Education has the authority to issue bonds up to 20% of the latest assessed valuation of the taxable property in the District. The board also has authority to select the depository of school funds and acquire short-term loans.

***Component Units***

The District's combined financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the District
- There is fiscal dependency by the organization on the District
- The organization is financially accountable to the District
- The organization receives or holds funds that are for the benefit of the District; and the District has access to a majority of the funds held; and the funds that are accessible are also significant to the District

Based on the aforementioned criteria, the Sargent School District RE-33J has no component units.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. Government-wide statements report information on all of the activities of the District, except for District fiduciary activity. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

**SARGENT SCHOOL DISTRICT RE-33J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

The Statement of Activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from services, or privileges provided by a given function or segment and
- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each reported as a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements, imposed by the provider, are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major governmental funds:

- The **General Fund** – is the general operating fund of the District. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Bond Redemption Fund** – is used to account for the accumulation of resources for and the payment of principal, interest, and related expenses on the long-term general obligation debt or long-term voter-approved lease-purchase debt.

Fiduciary fund financial statements consist of the Agency Fund established to record transactions relating to assets held by the District as an agent for student organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between governmental activities and business-type activities, which are presented as internal balances and eliminated in the total primary government column.

**SARGENT SCHOOL DISTRICT RE-33J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

***Cash and Cash Equivalents***

The District's cash and cash equivalents are considered to be cash in bank and liquid investments with maturity of three months or less.

***Property Taxes***

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The District's property taxes are collected by the County Treasurer who remits monthly receipts to the District. Property tax revenue is recognized when received by the County Treasurer.

Uncollected property taxes that became an enforceable lien January 1, 2016 have been recorded in the financial statements as an asset and corresponding unavailable revenue.

***Receivables/Payables From Other District Funds***

Balances that originate from current lending/borrowing arrangements between funds are referred to as "Due To/From Other Funds".

***Inventories***

Purchased inventories are stated at cost and consist of supplies and food to be used within one year. Donated inventory is priced at the U.S. Department of Agriculture established values.

***USDA Commodities***

The Food Service Fund receives donated commodities to use in meal preparation from the U.S. Department of Agriculture. The value of these commodities received during the year is shown as income, and the value of commodities used is shown as expense.

***Capital Assets***

Capital Assets, which include land, land improvements, buildings and improvements, equipment, vehicles, and construction in progress, are reported in the applicable governmental activities column in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	15-20
Land Improvements	10
Equipment	5-20
Vehicles	10-12

**SARGENT SCHOOL DISTRICT RE-33J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2016**

***Long-Term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. In the fund financial statements, debt proceeds are reported as other financing sources and debt payments are reported as debt service expenditures.

***Compensated Absences***

Full-time employees of the District receive 12 days per year sick leave which can be accumulated to 45 days for nine month employees and 47 days for twelve month employees. Twelve month employees receive vacation time as per policy. Employees that retire and are 50 years of age or older receive one-half of the substitute rate (\$65) for any days accumulated at the date of retirement. A liability is accrued in the government-wide financial statements.

***Unearned Grant Revenue***

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

***Deferred Outflows/Inflows of Resources***

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

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

Certain amounts related to pensions must be deferred.

***Pensions***

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

***Net Position***

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

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the

**SARGENT SCHOOL DISTRICT RE-33J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

***Fund Balance***

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

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

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

***Encumbrances***

The District does not record purchase orders in the accounting system upon approval of administration. Unfulfilled purchase commitments outstanding at the end of the budget year are rebudgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

***Use of Estimates***

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

**SARGENT SCHOOL DISTRICT RE-33J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

***Budgets and Budgetary Accounting***

Sargent School District RE-33J follows the procedures set forth in the Colorado School District Budget Law when preparing annual budgets for each fund. Budget procedures include:

- 1) Preparation of budget documents by administrative staff shall be submitted to the Board no later than June 1 of each year.
- 2) Publication of a notice stating that the budget is available for public inspection.
- 3) Discussion of the budget in a meeting open to the public.
- 4) Adoption of the budget in a public meeting by appropriate resolution.

Formal budgetary integration is employed as a management control device for all funds of the District. All fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The Board of Education adopted supplemental appropriations during fiscal year 2016. All budget amounts presented reflect the original budget and the final amended budget.

***Stewardship***

Total expenditures exceeded budgeted appropriations in the Capital Reserve Capital Projects Fund by \$35 during fiscal year 2016. In addition, this fund had a deficit fund balance of \$103 as of June 30, 2016. These may be violations of Colorado Revised Statutes 22-44-115(1) and 22-44-102(7.3), respectively.

**NOTE 3 CASH AND DEPOSITS**

A summary of cash and deposits for the District are as follows:

Cash in Banks and on Hand	\$ 2,167,775
Less: amounts related to Agency Fund	<u>(50,577)</u>
Total cash and deposits on the Statement of Net Position	<u><u>\$ 2,117,198</u></u>

***Cash and Deposits***

Colorado State Statutes govern the District's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

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

***Custodial Credit Risk – Deposits***

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end, \$2,028,601 of the District's total \$2,278,600 bank balances were exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

**SARGENT SCHOOL DISTRICT RE-33J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 4 DUE FROM OTHER GOVERNMENTS**

Intergovernmental receivables include amounts due from grantors for specific program grants. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

As of June 30, 2016, the District had \$11,087 due from Federal, State, and Local governments, reflected as, intergovernmental receivables in the accompanying basic financial statements.

**NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

***Interfund Receivables/Payables***

The District reports interfund balances between many of its funds. The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances are generally expected to be repaid within one year of the financial statement date.

***Interfund Transfers***

Interfund transfers for the year ended June 30, 2016, were as follows:

Transfer In	Transfer Out	Amount
Capital Reserve Capital Projects Fund	General Fund	\$ 75,000
Food Service Fund	General Fund	40,000
Pupil Activity Fund	General Fund	32,000
		\$ 147,000

These transfers were made from the General Fund to subsidize the Capital Reserve Capital Projects Fund, the Food Service Fund, and the Pupil Activity Fund.

**SARGENT SCHOOL DISTRICT RE-33J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 6 CAPITAL ASSETS**

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

	Balance 6/30/2015	Additions	Deletions	Balance 6/30/2016
<i>Governmental Activities</i>				
Capital assets not being depreciated				
Land	\$ 128,621	\$ -	\$ -	\$ 128,621
Total capital assets not being depreciated	<u>128,621</u>	<u>-</u>	<u>-</u>	<u>128,621</u>
Capital assets being depreciated				
Buildings and Improvements	24,747,257	-	-	24,747,257
Land Improvements	105,750	-	-	105,750
Equipment	792,129	13,059	-	805,188
Vehicles	616,317	-	-	616,317
Total capital assets being depreciated	<u>26,261,453</u>	<u>13,059</u>	<u>-</u>	<u>26,274,512</u>
Less accumulated depreciation for:				
Buildings and Improvements	3,282,406	375,119	-	3,657,525
Land Improvements	42,300	10,575	-	52,875
Equipment	404,536	63,867	-	468,403
Vehicles	483,432	28,995	-	512,427
Total accumulated depreciation	<u>4,212,674</u>	<u>478,556</u>	<u>-</u>	<u>4,691,230</u>
Total Capital Assets being depreciated, net	<u>22,048,779</u>	<u>(465,497)</u>	<u>-</u>	<u>21,583,282</u>
Governmental Activities, net	<u>\$ 22,177,400</u>	<u>\$ (465,497)</u>	<u>\$ -</u>	<u>\$ 21,711,903</u>

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

<i>Governmental activities:</i>	
Instructional Program	\$ 367,723
General Administration Supporting Services	53,545
Business Supporting Services	1,659
Operations and Maintenance	10,575
Student Transportation Services	35,259
Food Services	9,795
Total depreciation expense – governmental activities	<u>\$ 478,556</u>

**SARGENT SCHOOL DISTRICT RE-33J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 7 ACCRUED SALARIES AND BENEFITS**

The teachers, administrators, and the administrative staff are employed under nine and twelve month contracts. All District employees are paid on a twelve-month basis; therefore, a difference exists between the actual amount of salaries earned under the contract and the amount paid. The difference between salaries earned and paid, including the District's share of benefits, has been accrued in the financial statements in the amount of \$337,963.

**NOTE 8 OPERATING LEASES**

The District has entered an operating lease for several copy machines. This lease is considered for accounting purposes as an operating lease. Lease expenses for the year totaled \$17,142.

**NOTE 9 LONG-TERM LIABILITIES**

***Changes in Long-Term Debt***

Long-term liability balances for the year ended June 30, 2016, were as follows:

	Beginning Balance 6/30/2015	Additions	Deletions	Ending Balance 6/30/2016	Due Within One Year
<i>Governmental Activities</i>					
G.O. Bonds Payable	\$ 4,170,000	\$ -	\$ 205,000	\$ 3,965,000	\$ 215,000
Compensated Absences	9,448	806	-	10,254	-
Total	<u>\$ 4,179,448</u>	<u>\$ 806</u>	<u>\$ 205,000</u>	<u>\$ 3,975,254</u>	<u>\$ 215,000</u>

***General Obligation Bonds Payable***

In November 2008, the District voters approved a ballot measure to issue \$5,000,000 in bonds for the purpose of financing the construction and equipping the facilities and improvements. In 2009, the proceeds of the bond were paid to the State of Colorado who handled the financial transactions related to the building of the District's new school building. Coupon "A" interest rate is 4.135%. The December 1, 2013 payment included an additional "B" coupon interest payment of \$23,825 to repay the remainder of the District's match on the BEST Project. The bond is payable from the Bond Redemption Fund in annual installments and matures on December 1, 2029.

**SARGENT SCHOOL DISTRICT RE-33J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

The annual debt service for the General Obligation Bond payable is as follows:

	Principal	Interest	Totals
FY 2017	\$ 215,000	\$ 159,515	\$ 374,515
FY 2018	225,000	150,418	375,418
FY 2019	235,000	140,907	375,907
FY 2020	240,000	131,086	371,086
FY 2021	250,000	120,955	370,955
FY 2022 - FY 2026	1,430,000	435,644	1,865,644
FY 2027 - FY 2030	1,370,000	108,859	1,478,859
	\$ 3,965,000	\$ 1,247,384	\$ 5,212,384

**NOTE 10 RESTRICTED NET POSITION**

The BEST grant agreement requires the District to increase annually a BEST Capital Renewal Reserve which is set aside for the specific purpose of replacing major public school facility systems with projected life cycles similar as to those of roofs, interior finishes, electrical systems and heating, ventilating, and air conditioning systems. The balance at June 30, 2016 is \$191,000.

**NOTE 11 DEFINED BENEFIT PENSION PLAN**

***General Information about the Pension Plan***

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

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

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

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

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

**SARGENT SCHOOL DISTRICT RE-33J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

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

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

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

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

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

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$378,405, for the year ended June 30, 2015.

**SARGENT SCHOOL DISTRICT RE-33J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

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

At June 30, 2016, the District reported a liability of \$7,481,489 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The District's proportion of the net pension liability was based on District contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, the District's proportion was 0.049 percent, which was a decrease of 0.002 from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016 the District recognized pension expense of \$219,040. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 98,813	\$ 325
Net difference between projected and actual earnings on pension plan investments	640,884	-
Changes of assumptions or other inputs	-	105,726
Changes in proportion	-	335,686
Differences between contributions recognized and proportionate share of contributions	837	-
Contributions subsequent to the measurement date	195,264	-
Total	\$ 935,798	\$ 441,737

\$195,264 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2017	\$ 13,301
2018	36,450
2019	118,580
2020	130,447
Thereafter	-

**SARGENT SCHOOL DISTRICT RE-33J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

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

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

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

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

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

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

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

**SARGENT SCHOOL DISTRICT RE-33J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Geometric Real Rate of Return</u>
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	<u>100.00%</u>	

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

**SARGENT SCHOOL DISTRICT RE-33J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

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

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension liability	\$ 9,698,196	\$ 7,481,489	\$ 5,637,602

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

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS**

***Health Care Trust Fund***

*Plan Description* – The District contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary

**SARGENT SCHOOL DISTRICT RE-33J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The District is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2016, 2015, and 2014, the District contributions to the HCTF were \$21,765, \$21,595 and \$21,817, respectively, equal to their required contributions for each year.

**NOTE 13 DEFINED CONTRIBUTION PENSION PLAN**

***Voluntary Investment Program***

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

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2016 program members contributed \$14,691 for the Voluntary Investment Program.

**NOTE 14 JOINT VENTURES AND RELATED PARTIES**

The District participates in the following entities. These joint ventures and related parties do not meet the criteria for inclusion within the reporting entity because the following entities:

- are financially independent and responsible for its own financing deficits and entitled to its own surpluses,
- have a separate governing board from that of the District,
- have a separate management which is responsible for day-to-day operations and is accountable to the separate governing board,
- have governing boards and management with the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities, and determining the outcome for disposition of matters affecting the recipients of services provided, and
- have absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and controls fiscal management.

**San Luis Valley Board of Cooperative Educational Services (BOCES)**

The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The Board of BOCES is selected from the elected members of the District Boards. The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The

**SARGENT SCHOOL DISTRICT RE-33J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

District's share of the joint venture is approximately 7% at June 30, 2016. Complete separate financial statements may be obtained from BOCES.

**Colorado School Districts' Self-Insurance Pool**

The District belongs to the Colorado School Districts' Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime, and other coverage. The Board of Directors is composed of eight persons, several of who are appointed by the Board of Directors of CASB and the Executive Director of CASB. The Pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the aggregate Pool claims, the cost of administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

As the District did not exercise oversight responsibility, nor has sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool are recorded as expenditures in the General Fund. The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2016. Complete separate financial statements may be obtained from the Colorado School Districts' Self-Insurance Pool.

**NOTE 15 COMMITMENTS AND CONTINGENCIES**

***Grant Programs***

The District participates in federal grant programs subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

***Litigation***

The District is a party to various legal actions normally associated with governmental activities, the aggregate effect of which, in management's and legal counsel's opinion, would not be material to its financial statements.

**NOTE 16 TABOR EMERGENCY RESERVE**

Colorado voters passed an amendment to the State constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment.

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

On November 3, 1998 voters approved a ballot which stated that the District is authorized to collect, retain, and expend all revenues including grants and other funds collected during 1998 and each subsequent year from any source, notwithstanding the limitations of Article X, Section 20 of the Colorado constitution, provided, however,

**SARGENT SCHOOL DISTRICT RE-33J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

that no property tax mill levy be increased at any time nor shall any new tax be imposed without the prior approval of the voters.

The amendment also requires that Emergency Reserves be established. These reserves must be at least three percent of fiscal year spending. This Emergency Reserve has been presented as a restricted fund balance in the General Fund balance sheet and a restricted net position in the government-wide statement of net position. The entity is not allowed to use the Emergency Reserve to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

**NOTE 17 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by Colorado School Districts' Self-Insurance Pool. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

**NOTE 18 PUPIL ACTIVITY AGENCY FUND BUDGET AND ACTUAL**

The District is required by the Colorado School District Budget Law to budget for the District's Pupil Activity Agency Fund. In accordance with GAAP, however, there is not a statement of revenues, expenses, and changes in net position for agency funds to report the budget information, because agency funds do not recognize revenues, expenses, or net position in accordance with GAAP. Therefore, the budget and actual amounts for agency funds received and disbursed for the year ended June 30, 2016, are presented below:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Beginning Balance	\$ -	\$ -	\$ 49,470	\$ 49,470
Agency Fund Receipts	250,000	250,000	140,358	(109,642)
Agency Fund Disbursements	<u>(250,000)</u>	<u>(250,000)</u>	<u>(139,251)</u>	<u>110,749</u>
Ending Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,577</u>	<u>\$ 50,577</u>

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## **SARGENT SCHOOL DISTRICT RE-33J**

### **REQUIRED SUPPLEMENTARY INFORMATION**

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

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**SARGENT SCHOOL DISTRICT RE-33J**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2016**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Federal Sources	\$ 40,200	\$ 26,000	\$ 49,585	\$ 23,585
State Sources	2,649,479	2,585,035	2,583,332	(1,703)
Local Sources	1,167,782	1,245,857	1,276,302	30,445
<b>TOTAL REVENUES</b>	<b>3,857,461</b>	<b>3,856,892</b>	<b>3,909,219</b>	<b>52,327</b>
<b>EXPENDITURES</b>				
Instructional Program	1,968,713	1,965,873	1,958,832	7,041
Student Supporting Services	182,155	177,247	178,657	(1,410)
Instructional Staff Supporting Services	109,399	109,976	109,561	415
General Administration Supporting Services	237,240	246,017	239,319	6,698
School Administration Supporting Services	209,410	202,887	213,307	(10,420)
Business Supporting Services	135,793	135,793	136,130	(337)
Operations and Maintenance of Plant Services	535,576	576,113	562,453	13,660
Student Transportation Services	176,349	174,711	161,092	13,619
Central Supporting Services	46,361	48,361	51,144	(2,783)
Reserves	984,656	1,000,017	-	1,000,017
<b>TOTAL EXPENDITURES</b>	<b>4,585,652</b>	<b>4,636,995</b>	<b>3,610,495</b>	<b>1,026,500</b>
Excess (deficiency) of revenues over expenditures	(728,191)	(780,103)	298,724	1,078,827
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds	(141,550)	(149,350)	(147,000)	2,350
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(141,550)</b>	<b>(149,350)</b>	<b>(147,000)</b>	<b>2,350</b>
Net change in Fund Balance	(869,741)	(929,453)	151,724	1,081,177
<b>Fund Balance, Beginning of Year</b>	<b>1,172,741</b>	<b>1,232,453</b>	<b>1,232,453</b>	<b>-</b>
<b>Fund Balance, End of Year</b>	<b>\$ 303,000</b>	<b>\$ 303,000</b>	<b>\$ 1,384,177</b>	<b>\$ 1,081,177</b>

**Notes to Required Supplementary Information**

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

**SARGENT SCHOOL DISTRICT RE-33J**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**PERA SCHDTF PENSION PLAN**  
**For the Years Ended June 30,**

	2016	2015	2014
District's proportion of the net pension liability	0.0489168619%	0.0509478525%	0.0531885519%
District's proportionate share of the net pension liability (asset)	\$ 7,481,489	\$ 6,905,145	\$ 6,784,185
District's covered-employee payroll	\$ 2,133,805	\$ 2,117,125	\$ 2,138,956
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	351%	326%	317%
Plan fiduciary net position as a percentage of the total pension liability covered-employee payroll	59.2%	62.8%	64.1%

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

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

**Notes to Required Supplementary Information:**

See Note 11 in the accompanying Notes to the Basic Financial Statements for changes to assumptions or other inputs used.

**SARGENT SCHOOL DISTRICT RE-33J**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**PERA SCHDTF PENSION PLAN**  
**For the Years Ended June 30,**

	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 378,405	\$ 358,216	\$ 341,974	\$ 326,829	\$ 305,785	\$ 277,096	\$ 265,538	\$ 245,590
Contributions in relation to the contractually required contribution	<u>(378,405)</u>	<u>(358,216)</u>	<u>(341,974)</u>	<u>(326,829)</u>	<u>(305,785)</u>	<u>(277,096)</u>	<u>(265,538)</u>	<u>(245,590)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	2,133,805	2,117,125	2,138,956	2,116,694	2,131,556	2,074,289	2,144,230	2,139,954
Contributions as a percentage of covered-employee payroll	17.73%	16.92%	15.99%	15.44%	14.35%	13.36%	12.38%	11.48%

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

**Notes to Required Supplementary Information:**

See Note 11 in the accompanying Notes to the Basic Financial Statements for changes to assumptions or other inputs used.

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## **SARGENT SCHOOL DISTRICT RE-33J**

### **SUPPLEMENTARY INFORMATION**

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

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**SARGENT SCHOOL DISTRICT RE-33J  
NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for and report the proceeds of special revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**Federal Programs Fund** - Used to account for financial transactions for grants received for designated programs funded by federal, state, or local governments.

**Pupil Activity Fund** – Used to record financial transactions related to school-sponsored pupil intrascholastic and interscholastic athletic and other related activities. These activities are supported in whole or in part by revenues from pupils, gate receipts, and other fundraising activities.

**Food Service Fund** - Used to account for the District's food service program. Revenues are derived from District contributions and student and adult charges.

**CAPITAL PROJECTS FUNDS**

**Capital Reserve Capital Projects Fund** – Used to account for the purposes and limitations specified by Section 22-45-103(1)(c), C.R.S., including the acquisition of sites, buildings, equipment, and vehicles.

**SARGENT SCHOOL DISTRICT RE-33J**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2016**

	<b>SPECIAL REVENUE FUNDS</b>				
	<b>FEDERAL PROGRAMS FUND</b>	<b>PUPIL ACTIVITY FUND</b>	<b>FOOD SERVICE FUND</b>	<b>CAPITAL RESERVE CAPITAL PROJECTS FUND</b>	<b>TOTAL NONMAJOR FUNDS</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 20,470	\$ 17,458	\$ 18,779	\$ (3)	\$ 56,704
Accounts Receivable	626	-	5,836	-	6,462
Inventory	-	-	9,540	-	9,540
<b>TOTAL ASSETS</b>	<b>\$ 21,096</b>	<b>\$ 17,458</b>	<b>\$ 34,155</b>	<b>\$ (3)</b>	<b>\$ 72,706</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 7,827	\$ -	\$ 20	\$ 100	\$ 7,947
Accrued Salaries and Benefits	11,229	-	19,398	-	30,627
Unearned Grant Revenue	2,040	-	-	-	2,040
<b>TOTAL LIABILITIES</b>	<b>21,096</b>	<b>-</b>	<b>19,418</b>	<b>100</b>	<b>40,614</b>
<b>FUND BALANCE</b>					
Nonspendable Fund Balance	-	-	9,540	-	9,540
Committed Fund Balance	-	-	-	-	-
Assigned Fund Balance	-	17,458	5,197	-	22,655
Unassigned Fund Balance	-	-	-	(103)	(103)
<b>TOTAL FUND BALANCE</b>	<b>-</b>	<b>17,458</b>	<b>14,737</b>	<b>(103)</b>	<b>32,092</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 21,096</b>	<b>\$ 17,458</b>	<b>\$ 34,155</b>	<b>\$ (3)</b>	<b>\$ 72,706</b>

**SARGENT SCHOOL DISTRICT RE-33J**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2016**

**SPECIAL REVENUE FUNDS**

	<b>FEDERAL PROGRAMS FUND</b>	<b>PUPIL ACTIVITY FUND</b>	<b>FOOD SERVICE FUND</b>	<b>CAPITAL RESERVE CAPITAL PROJECTS FUND</b>	<b>TOTAL NONMAJOR FUNDS</b>
<b>REVENUES</b>					
Federal Sources	\$ 125,176	\$ -	\$ 70,902	\$ -	\$ 196,078
State Sources	24,568	-	2,397	-	26,965
Local Sources	-	26,835	80,840	7	107,682
<b>TOTAL REVENUES</b>	<b>149,744</b>	<b>26,835</b>	<b>154,139</b>	<b>7</b>	<b>330,725</b>
<b>EXPENDITURES</b>					
Instructional Program	125,882	59,051	-	-	184,933
Student Supporting Services	13,888	-	-	-	13,888
Instructional Staff Supporting Services	9,974	-	-	-	9,974
Food Services	-	-	181,603	-	181,603
Facilities Acquisition and Construction	-	-	-	107,943	107,943
<b>TOTAL EXPENDITURES</b>	<b>149,744</b>	<b>59,051</b>	<b>181,603</b>	<b>107,943</b>	<b>498,341</b>
Excess (deficiency) of revenues over expenditures	-	(32,216)	(27,464)	(107,936)	(167,616)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from Other Funds	-	32,000	40,000	75,000	147,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>32,000</b>	<b>40,000</b>	<b>75,000</b>	<b>147,000</b>
Net Change in Fund Balance	-	(216)	12,536	(32,936)	(20,616)
<b>Fund Balance, Beginning of Year</b>	<b>-</b>	<b>17,674</b>	<b>2,201</b>	<b>32,833</b>	<b>52,708</b>
<b>Fund Balance, End of Year</b>	<b>\$ -</b>	<b>\$ 17,458</b>	<b>\$ 14,737</b>	<b>\$ (103)</b>	<b>\$ 32,092</b>

**SARGENT SCHOOL DISTRICT RE-33J**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FEDERAL PROGRAMS FUND**  
**For the Year Ended June 30, 2016**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Federal Sources	\$ 122,866	\$ 126,294	\$ 125,176	\$ (1,118)
State Sources	22,427	25,736	24,568	(1,168)
<b>TOTAL REVENUES</b>	<u>145,293</u>	<u>152,030</u>	<u>149,744</u>	<u>(2,286)</u>
<b>EXPENDITURES</b>				
Instructional Program	120,615	127,352	125,882	1,470
Student Supporting Services	14,507	14,507	13,888	619
Instructional Staff Supporting Services	10,171	10,171	9,974	197
<b>TOTAL EXPENDITURES</b>	<u>145,293</u>	<u>152,030</u>	<u>149,744</u>	<u>2,286</u>
Net Change in Fund Balance	-	-	-	-
<b>Fund Balance, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SARGENT SCHOOL DISTRICT RE-33J**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**PUPIL ACTIVITY FUND**  
**For the Year Ended June 30, 2016**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Local Sources	\$ 218,000	\$ 218,000	\$ 26,835	\$ (191,165)
<b>TOTAL REVENUES</b>	<u>218,000</u>	<u>218,000</u>	<u>26,835</u>	<u>(191,165)</u>
<b>EXPENDITURES</b>				
Instructional Program	250,000	250,000	59,051	190,949
<b>TOTAL EXPENDITURES</b>	<u>250,000</u>	<u>250,000</u>	<u>59,051</u>	<u>190,949</u>
Excess (deficiency) of revenues over expenditures	<u>(32,000)</u>	<u>(32,000)</u>	<u>(32,216)</u>	<u>(216)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	32,000	32,000	32,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	(216)	(216)
<b>Fund Balance, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>17,674</u>	<u>17,674</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,458</u>	<u>\$ 17,458</u>

**SARGENT SCHOOL DISTRICT RE-33J**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOOD SERVICE FUND**  
**For the Year Ended June 30, 2016**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Federal Sources	\$ 62,000	\$ 75,931	\$ 70,902	\$ (5,029)
State Sources	16,584	2,653	2,397	(256)
Local Sources	78,005	77,265	80,840	3,575
<b>TOTAL REVENUES</b>	<b>156,589</b>	<b>155,849</b>	<b>154,139</b>	<b>(1,710)</b>
<b>EXPENDITURES</b>				
Supporting Services				
Food Services				
Salaries	74,278	75,078	73,310	1,768
Fringe Benefits	28,184	28,184	26,431	1,753
Food and Commodities	80,431	86,677	75,502	11,175
Supplies and Materials	8,246	8,260	6,246	2,014
Other Operating	-	-	114	(114)
<b>TOTAL EXPENDITURES</b>	<b>191,139</b>	<b>198,199</b>	<b>181,603</b>	<b>16,596</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>				
<b>OVER EXPENDITURES</b>	<b>(34,550)</b>	<b>(42,350)</b>	<b>(27,464)</b>	<b>14,886</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers from Other Funds	34,550	42,350	40,000	(2,350)
<b>TOTAL OTHER FINANCING SOURCES</b>				
<b>(USES)</b>	<b>34,550</b>	<b>42,350</b>	<b>40,000</b>	<b>(2,350)</b>
Net Change in Fund Balance	-	-	12,536	12,536
Fund Balance, Beginning of Year	-	-	2,201	2,201
Fund Balance, End of Year	\$ -	\$ -	\$ 14,737	\$ 14,737

**SARGENT SCHOOL DISTRICT RE-33J**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL RESERVE CAPITAL PROJECTS FUND**  
**For the Year Ended June 30, 2016**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Local Sources	\$ 75	\$ 75	\$ 7	\$ (68)
<b>TOTAL REVENUES</b>	<u>75</u>	<u>75</u>	<u>7</u>	<u>(68)</u>
<b>EXPENDITURES</b>				
Facilities Acquisition and Construction	<u>75,075</u>	<u>107,908</u>	<u>107,943</u>	<u>(35)</u>
<b>TOTAL EXPENDITURES</b>	<u>75,075</u>	<u>107,908</u>	<u>107,943</u>	<u>(35)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(75,000)</u>	<u>(107,833)</u>	<u>(107,936)</u>	<u>(103)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Net Change in Fund Balance	-	(32,833)	(32,936)	(103)
<b>Fund Balance, Beginning of Year</b>	<u>-</u>	<u>32,833</u>	<u>32,833</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (103)</u>	<u>\$ (103)</u>

**SARGENT SCHOOL DISTRICT RE-33J**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**BOND REDEMPTION FUND**  
**For the Year Ended June 30, 2016**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Local Sources	\$ 377,200	\$ 377,200	\$ 389,659	\$ 12,459
<b>TOTAL REVENUES</b>	<u>377,200</u>	<u>377,200</u>	<u>389,659</u>	<u>12,459</u>
<b>EXPENDITURES</b>				
Debt Service	<u>377,200</u>	<u>377,200</u>	<u>373,260</u>	<u>3,940</u>
<b>TOTAL EXPENDITURES</b>	<u>377,200</u>	<u>377,200</u>	<u>373,260</u>	<u>3,940</u>
Net Change in Fund Balance	-	-	16,399	16,399
<b>Fund Balance, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>374,153</u>	<u>374,153</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 390,552</u>	<u>\$ 390,552</u>



Wall,  
Smith,  
Bateman Inc.

To the Board of Education  
Sargent School District RE-33J  
Monte Vista, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sargent School District RE-33J (the District), as of and for the year ended June 30, 2016, which collectively comprise the District's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 14, 2017.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the Colorado Department of Education Financial Policies and Procedures Manual insofar as it relates to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of the Board of Education and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

*Wall, Smith, Bateman Inc.*

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

February 14, 2017

**Certified Public Accountants**

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**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 2750 - SARGENT RE-33J  
 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 (6830*) Ending Fund Balance
<b>Governmental</b>				
10 General Fund	1,232,455	3,566,029	3,414,306	1,384,178
18 Risk Mgmt Sub-Fund of General Fund	0	96,549	96,549	0
19 Colorado Preschool Program Fund	0	99,639	99,639	0
Sub- Total	1,232,455	3,762,217	3,610,494	1,384,178
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
21 Food Service Spec Revenue Fund	2,201	194,140	181,603	14,738
22 Govt Designated-Purpose Grants Fund	-1	149,744	149,743	0
23 Pupil Activity Special Revenue Fund	17,674	58,835	59,051	17,458
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	374,153	389,659	373,259	390,552
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	32,833	75,007	107,943	-103
<b>Totals</b>	<b>1,659,315</b>	<b>4,629,602</b>	<b>4,482,094</b>	<b>1,806,823</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	49,470	140,358	139,251	50,577
79 GASB 34 Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>49,470</b>	<b>140,358</b>	<b>139,251</b>	<b>50,577</b>

FINAL

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