

**KIT CARSON COUNTY
SCHOOL DISTRICT R-5**
Bethune, Colorado

Financial Statements
For the Year Ended June 30, 2015



“The Best Little School in Colorado”

KIT CARSON COUNTY SCHOOL DISTRICT R-5
Bethune, Colorado
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Auditor's Integrity Report

WINFREY, COUNTY, & HAYS, PC

Certified Public Accountants

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Gerald D County, CPA

Noel E Winfrey, CPA

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Kit Carson County School District R-5
Bethune, Colorado 80805

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Kit Carson County School District R-5, as of and for the year ended June 30, 2015, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate

remaining fund information of the Kit Carson County School District R-5, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages a-g and 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. For the management discussion & analysis we have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison schedule for the General Fund has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kit Carson County School District R-5's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

WINFREY, COUNTY, & HAYS, PC
Certified Public Accountants



by: Gerald County, CPA

October 15, 2014

KIT CARSON COUNTY SCHOOL DISTRICT R-5
Bethune, Colorado
Management Discussion and Analysis
For the Year Ended June 30, 2015

Management of Bethune School District R-5 offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015. The focus of the information is on the primary government-general fund.

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

At the beginning of the fiscal year, the Food Services Fund was changed from a proprietary fund to a special revenue fund. All prior amounts have been restated.

Financial Highlights:

The District's assets exceeded its liabilities at the close of the fiscal year by \$1,922,132 (net position). Of this amount \$713,209 (unrestricted net position) may be used to meet the District's ongoing obligations.

As of close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$825,622 an increase of \$69,088 from the prior year.

The District has no debt. The District has adequate resources available for all appropriations.

Overview of Financial Statements

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

Government-Wide Financial Statements

These statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net assets, the difference between the District's assets and liabilities, are one way to measure the District's financial health or position.

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

KIT CARSON COUNTY SCHOOL DISTRICT R-5
Bethune, Colorado
Management Discussion and Analysis
For the Year Ended June 30, 2015

The District only has governmental activities.

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

Fund Financial Statements

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

Governmental funds - most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

KIT CARSON COUNTY SCHOOL DISTRICT R-5
Bethune, Colorado
Management Discussion and Analysis
For the Year Ended June 30, 2015

Financial Analysis of the District as a Whole:

Table 1
Fiscal Year Ended June 30, 2015
Net Position

	<u>Governmental Activities</u>	
	<u>6/30/2015</u>	<u>6/30/2014</u>
Current and other assets	972,737	911,680
Capital assets	<u>1,151,370</u>	<u>1,219,563</u>
Total assets	2,124,107	2,131,243
Current and other liabilities	201,975	207,233
Net Assets		
Invested in capital assets	1,151,370	1,219,563
Restricted for Preschool	3,194	0
Restricted for Capital Projects	299	299
Restricted for Tabor	54,060	53,400
Unrestricted	<u>713,209</u>	<u>650,747</u>
Total Net Position	<u>1,922,132</u>	<u>1,924,009</u>

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the Bethune School District, assets exceed liabilities by approximately \$1,922,132, a decrease of \$1,877 from the prior year.

Of the District's \$1,922,132 in net position, \$1,151,370 (60%) reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The District uses capital assets to provide services to students; consequently, these assets are not available for future spending. The unrestricted net position of \$713,209 may be used to meet the District's ongoing financial obligations.

The results of this year's operations as a whole are reported in the Statement of Activities on Page 2. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues. The two largest general revenues are the equalization provided by the State of Colorado Department of Education and the property taxes assessed to District taxpayers.

KIT CARSON COUNTY SCHOOL DISTRICT R-5
Bethune, Colorado
Management Discussion and Analysis
For the Year Ended June 30, 2015

Table 2 takes the information from that statement, rearranges it slightly, so you can see our total revenues for the year.

Table 2
Fiscal Year Ended June 30, 2015
Change in Net Position

REVENUES	<u>Governmental Activities</u>	
	<u>6/30/2015</u>	<u>6/30/2014</u>
Program Revenues		
Charges for service	26,623	29,106
Operating grants	417,851	400,853
Capital grants	0	0
General Revenues		
Property taxes	336,658	346,709
Auto taxes	45,011	49,827
State Equalization	1,145,627	1,122,560
Other	<u>26,381</u>	<u>19,333</u>
Total Revenues	1,998,151	1,968,388
EXPENSES		
Instruction	1,157,067	1,176,106
Pupil services	55,833	55,073
Instructional services	17,131	26,288
General administration	295,910	255,684
School administration	9,076	10,744
Business	1,088	901
Operations & maintenance	220,235	238,891
Pupil transportation	55,590	60,221
Central services	49,228	126,275
Non Instructional	23,930	28,047
Food Services	<u>114,942</u>	<u>122,732</u>
Total Expenses	<u>2,000,029</u>	<u>2,100,962</u>
Increase (decrease) in net position	<u>(1,878)</u>	<u>(132,574)</u>

KIT CARSON COUNTY SCHOOL DISTRICT R-5
Bethune, Colorado
Management Discussion and Analysis
For the Year Ended June 30, 2015

Table 3 shows the District's functions. It also shows the net costs (total cost less revenues generated by the activities). This table also shows the net costs offset by the other unrestricted grants and subsidies to show the remaining financial needs supported by local taxes and other revenues.

Table 3
Fiscal Year Ended June 30, 2015
Government Activities

Functions/Programs	<u>Total Cost of Programs</u>	<u>Net Cost of Services</u>	<u>Prior Year</u>
Instruction	1,157,067	816,776	858,487
Pupil services	55,833	55,833	55,073
Instructional services	17,131	17,131	26,288
General administration	295,910	295,910	255,684
School administration	9,076	9,076	10,744
Business	1,088	1,088	901
Operations & maintenance	220,235	220,235	238,891
Pupil transportation	55,590	41,336	41,918
Central services	49,228	49,228	126,275
Non Instructional	23,930	12,558	18,370
Food Services	<u>114,942</u>	<u>36,385</u>	<u>38,371</u>
Total Governmental Activities	2,000,029	1,555,555	1,671,002
Less State Equalization		<u>1,145,627</u>	<u>1,122,560</u>
Total needs from local taxes and other revenue		<u>409,928</u>	<u>548,442</u>

KIT CARSON COUNTY SCHOOL DISTRICT R-5
Bethune, Colorado
Management Discussion and Analysis
For the Year Ended June 30, 2015

The District Funds

At June 30, 2015, the District governmental funds reported a combined fund balance of \$825,622 which is an increase of \$69,087. **Governmental Funds decreased this year due to State funding cuts in general State Share Payments.**

In the General Fund, revenues for the Bethune School District increased by \$33,872 while expenses decreased by \$89,027. **This is a reflection of the current rescission that continues to impact the District. The following is a description of the purchases made above and beyond revenue. The District purchased 3 SMART Boards and 20 Laptops and significant repairs were made to the school owned house.**

Financial Analysis of the District's Funds:

Revenues in governmental activities increased by \$24,253. **The District continues to strive to balance the budget on less funding each year. The State has decreased funding to Districts for the last five years. The Board of Directors has committed to spend the reserves to maintain the staff and programs currently in place.**

General Fund Budget

No revisions were made to the original budget.

Capital Assets and Debt Administration

At June 30, 2015, the District had \$1,151,370 invested in capital assets. This represents a net decrease (including additions and depreciation) of \$68,193.

	Governmental <u>Activities</u>	Prior <u>Year</u>
Sites	22,719	22,719
Site Improvements	44,516	44,516
Buildings	1,873,237	1,873,237
Transportation	355,203	355,203
Equipment	<u>259,664</u>	<u>259,664</u>
Total	2,555,339	2,555,339
Accumulated Depreciation	<u>(1,403,969)</u>	<u>(1,335,776)</u>
Net capital assets	<u>1,151,370</u>	<u>1,219,563</u>

The District had no capital assets purchased in the current year.

The District had no debt at June 30, 2015.

KIT CARSON COUNTY SCHOOL DISTRICT R-5
Bethune, Colorado
Management Discussion and Analysis
For the Year Ended June 30, 2015

Economic Factors and Next Year's Budget and Rates:

The factors that will continue to affect next year's budget are the concerns with the negative economy, the adjustments in funding in regards to state and property taxes, and the emphasis from legislature initiatives. The District is hopeful that State funding will stabilize with the passage of Amendment 66 that will allow for the implementation of SB 213. The legislative forecast is uncertain at this time as to where the political drive will be placed to help rectify the overall state budget with K-12 Education being the second largest expenditure in the budget.

Though there is hopeful legislation, the prediction is that the current state of the economic recession will continue to impact the farming community and local economics. The district's strong enrollment ensures a good budget with regards to the state's continued support for maintaining laws that allows for solid public school finance. The Board of Directors will continue to prioritize programs and expenditures to support making sound financial decisions for the district.

Bethune School District increased the teacher salary schedule for the 2012-2013 year. Staff received a 1% increase to the base. Student count will continue to be a factor in the budgeting plan.

The 2013-2014 budget is based on 113.0 students. The district will remain in good financial standing if enrollment is maintained. Currently there has not been a decrease in enrollment. If enrollment should decrease, there will be adjustments made to current expenditures.

Contacting the District Financial Management

Our financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning the information provided in this report or requests for additional information should be addressed to the Superintendent of School at Kit Carson County School District R-5, P O Box 127, Bethune, CO 80805.



“The Best Little School in Colorado”

BASIC FINANCIAL STATEMENTS

KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5

Bethune, Colorado

Statement of Net Position

June 30, 2015

	Governmental <u>Activities</u>
ASSETS	
Cash and cash equivalents	425,319.96
Certificates of deposit	531,996.21
Accounts/grants receivable	583.46
Inventory	6,741.28
Accrued property taxes receivable	8,095.98
Capital assets, net of accumulated depreciation	<u>1,151,370.10</u>
Total Assets	2,124,106.99
LIABILITIES	
Current Liabilities	
Accrued salaries payable	147,114.82
Noncurrent Liabilities	
Due within one year	11,095.00
Due in more than one year	<u>43,765.00</u>
Total Liabilities	201,974.82
NET POSITION	
Invested in capital assets	1,151,370.10
Restricted for Preschool	3,194.47
Restricted for Capital Projects	298.55
Restricted for Tabor	54,060.33
Unrestricted	<u>713,208.72</u>
Total Net Position	<u><u>1,922,132.17</u></u>

The accompanying notes are an integral part of these statements.

KIT CARSON SCHOOL DISTRICT R-5
Bethune, Colorado
Statement of Activities
For the Year Ended June 30, 2015

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Service</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>
Governmental Activities				
Instructional	1,157,067.23		340,291.28	0.00
Support Services				
Pupil services	55,832.72			
Instructional services	17,130.90			
General administration	295,909.65			
School administration	9,075.57			
Business	1,088.35			
Operations & maintenance	220,235.17			
Pupil transportation	55,589.79		14,253.72	
Central services	49,227.94			
Food Services	114,941.85	15,250.41	63,306.42	0.00
Non Instructional	<u>23,929.76</u>	<u>11,372.15</u>	<u>0.00</u>	<u>0.00</u>
Total Governmental Activities	2,000,028.93	26,622.56	417,851.42	0.00

General revenues:

Taxes

 Property taxes, levied for general purposes

 Specific ownership taxes

State Equalization

Miscellaneous

Investment earnings

 Total General Revenues

Change in Net Assets

Net Position - Beginning

Change in Accounting

Net Position - Ending

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

(816,775.95)

(55,832.72)

(17,130.90)

(295,909.65)

(9,075.57)

(1,088.35)

(220,235.17)

(41,336.07)

(49,227.94)

(36,385.02)

(12,557.61)

(1,555,554.95)

336,657.74

45,011.32

1,145,627.03

25,774.71

606.63

1,553,677.43

(1,877.52)

1,874,069.42

49,940.27

1,922,132.17



“The Best Little School in Colorado”

KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5
Bethune, Colorado
Balance Sheet
Governmental Funds
June 30, 2015

	<u>General</u>	Non-Major <u>Funds</u>	Total Governmental <u>Funds</u>
ASSETS			
Cash and cash equivalents	345,337.61	79,982.35	425,319.96
Certificates of deposit	531,996.21	0.00	531,996.21
Accounts/grants receivable	583.46	0.00	583.46
Inventory	0.00	6,741.28	6,741.28
Accrued property taxes receivable	<u>8,095.98</u>	<u>0.00</u>	<u>8,095.98</u>
Total Assets	<u>886,013.26</u>	<u>86,723.63</u>	<u>972,736.89</u>
 LIABILITIES AND FUND BALANCES			
Liabilities			
Accrued salaries payable	139,593.70	7,521.12	147,114.82
 Fund Balances			
Committed	9,756.85	25,000.00	34,756.85
Restricted for			
Tabor Emergencies	54,060.33	0.00	54,060.33
Preschool	3,194.47	0.00	3,194.47
Capital Projects	0.00	298.55	298.55
Nonspendable	0.00	6,741.28	6,741.28
Assigned	0.00	47,162.68	47,162.68
Unassigned	<u>679,407.91</u>	<u>0.00</u>	<u>679,407.91</u>
Total Fund Balances	<u>746,419.56</u>	<u>79,202.51</u>	<u>825,622.07</u>
 Total Liabilities and Fund Balances	 <u>886,013.26</u>	 <u>86,723.63</u>	 <u>972,736.89</u>

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

Total Governmental Fund Balances	825,622.07
Amounts reported for governmental activities in the statement of net assets are different because of the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	1,151,370.10
Long-term liabilities, including accrued paid days off, are not due and payable in the current period and therefore are not reported in the funds	<u>(54,860.00)</u>
Net Position of Governmental Activities	<u>1,922,132.17</u>

The accompanying notes are an integral part of these statements.

KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5
Bethune, Colorado
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	<u>General</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Local Sources			
Property Taxes	336,315.64		336,315.64
Specific Ownership Taxes	45,011.32		45,011.32
Delinquent Taxes & Penalties	342.10		342.10
Interest	606.63	0.00	606.63
Charges for Service	0.00	15,250.41	15,250.41
Other	31,174.71	11,372.15	42,546.86
Intergovernmental			
State Sources			
Equalization	1,145,627.03		1,145,627.03
Other	274,413.36	1,789.01	276,202.37
Federal Sources	<u>74,731.64</u>	<u>56,006.52</u>	<u>130,738.16</u>
Total Revenues	1,908,222.43	84,418.09	1,992,640.52
EXPENDITURES			
Current			
Instruction	1,070,622.64		1,070,622.64
Supporting Services			
Students	55,832.72		55,832.72
Instructional staff services	17,130.90		17,130.90
General administration	295,717.19		295,717.19
School administration	9,075.57		9,075.57
Business	838.35		838.35
Operations & maintenance	216,254.35		216,254.35
Pupil transportation	42,297.79		42,297.79
Central services	34,754.93		34,754.93
Non Instructional	0.00	23,929.76	23,929.76
Food Service	0.00	113,551.85	113,551.85
Capital Outlay	<u>49,057.88</u>	<u>0.00</u>	<u>49,057.88</u>
Total Expenditures	<u>1,791,582.32</u>	<u>137,481.61</u>	<u>1,929,063.93</u>
Excess of Revenues over (under) Expenditures	116,640.11	(53,063.52)	63,576.59
Other Financing Sources (Uses)	<u>(60,542.00)</u>	<u>66,052.89</u>	<u>5,510.89</u>
Excess of Revenues and Other Sources over (Under) Expenditures	56,098.11	12,989.37	69,087.48
Fund Balance - Beginning	690,321.45	31,638.68	721,960.13
Change in Accounting	<u>0.00</u>	<u>34,574.46</u>	<u>34,574.46</u>
Fund Balance - Ending	<u>746,419.56</u>	<u>79,202.51</u>	<u>825,622.07</u>

The accompanying notes are an integral part of these statements.

KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5
Bethune, Colorado
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015
(continued)

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

Net change in fund balances - total governmental funds		69,087.48
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period.</p>		
Capital outlays	0.00	
Depreciation expense	<u>(68,193.00)</u>	(68,193.00)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences		<u>(2,772.00)</u>
Change in net position of government activities		<u>(1,877.52)</u>

KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5
Bethune, Colorado
Statement of Fiduciary Net Position
Student Activity Agency Fund
June 30, 2015

	Student Activity Fund
ASSETS	
Cash in bank	<u>42,864.71</u>
LIABILITIES	
Due to student activities	<u>42,864.71</u>

Notes to the Financial Statements

KIT CARSON COUNTY SCHOOL DISTRICT R-5
Bethune, Colorado
Notes to Financial Statements
June 30, 2015

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

This report includes all funds of Kit Carson County School District R-5.

B. Basis of Presentation

Government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the school district. As a general rule, the effect of interfund activity has been eliminated from these statements. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support.

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

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

The District reports the following major governmental funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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D. Budgets and Budgetary Accounting

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

Budget Calendar -

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

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

January 31 is last date to change adopted budget.

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

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

E. Encumbrances

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

F. Assets, Liabilities and Net Assets or Equity

1. Deposits

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

State statutes authorize the District to deposit funds in institutions who are members of the federal deposit insurance corporation or the federal savings and loan insurance corporation to the extent that the deposit is insured by one of the above or is secured by pledge of eligible collateral as required by CRS 11-10.5-107

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2. Receivables and Payables

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

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

3. Inventories

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

A physical inventory was taken as of June 30, 2015 for the Food Services special revenue fund. The inventory consisted of government donated commodities which were valued at estimated fair market value, and purchased commodities and supplies were both valued at cost using the first-in, first-out (FIFO) method.

4. Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Site improvements	10-20
Buildings	10-50
Equipment	7-25
Vehicles	7-10

The District does not have any infrastructure assets.

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5. Compensated Absences

Year round staff is allotted 10 days per year, extended contract employees 8 days per year, and certified staff 7 days per year. There is no limit to the accumulation of days. Employees may be paid at the end of the school year if not used at the per diem rate of an uncertified substitute teacher. As of June 30, 2015, the accrued sick leave payable was \$54,860.

6. Long-term Obligations

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

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

7. Estimates

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

8. Fund Balances and Net Assets

In the government-wide , net assets are classified in the following categories;

- Invested in Capital Assets, Net of Related Debt – this category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding debt balances that are attributable to the acquisition, construction or improvement of these assets reduce this category.
- Restricted Net Assets – indicates that portion of net assets which has been legally segregated for specific purposes or is not available for appropriation.
- Unrestricted Net Assets – represents the amount which is not reserved for any purpose and is available for appropriation and expenditure in future periods.

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

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

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

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

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

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

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

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

At June 30, 2015 the amounts restricted were \$54,060 for the Tabor Reserve, \$3,194 for preschool, and \$299 for capital projects. Amounts in governmental funds were committed for paid days off of \$9,757 and \$25,000 for capital projects. There is \$6,741 nonspendable in the Food Service Fund. There was \$14,717 assigned for student activities, and \$32,446 for food service.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

In November of 1997, the voters of the District approved a ballot issue which allows the District to receive and spend all revenues received. Based upon this approval, the District considers the revenue and spending limits imposed by the Amendment no longer apply to the District.

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

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- C. On July 1, 2014, the Food Service Fund was changed from a proprietary fund to a governmental special revenue fund. This is a change in accounting which did not have any effect on the entity. Prior years have been restated.

(3) DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

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

The Colorado Public Deposit Protection Act (PDPA) requires that all political subdivisions of the State deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 2% of the aggregate uninsured deposits.

The Colorado Division of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

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

At June 30, 2015, the District's cash deposits had a bank balance and carrying balance as follows:

	Bank <u>Balance</u>	Carrying <u>Balance</u>
Insured (FDIC)	\$500,000	\$500,000
In ColoTrust	38,898	38,898
Deposits collateralized in two institutions pools	<u>437,055</u>	<u>461,283</u>
Total Cash	\$975,953	\$1,000,181
Amount of certificates of deposit		(531,996)
Amount with agency fund		<u>(42,865)</u>
Net cash		425,320

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As presented above, deposits with a bank balance of \$437,055 and a carrying balance of \$461,283 as of June 30, 2015, are uninsured, are exposed to custodial credit risk, and are collateralized with securities held by the pledging financial institution.

ColoTrust has a rating of AAAM by Standard & Poor's.

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

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

- C. Changes in General Fixed Assets

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Sites & Improvements	67,235	-0-	-0-	67,235
Buildings & Improvements	1,873,237	-0-	-0-	1,873,237
Equipment	259,664	-0-	-0-	259,664
Transportation	<u>355,204</u>	<u>-0-</u>	<u>-0-</u>	<u>355,204</u>
Total	2,555,340	-0-	-0-	2,555,340
Less Accumulated Depreciation				
Site Improvements	38,893	2,529	-0-	41,422
Buildings & Improvements	772,659	42,815	-0-	815,474
Equipment	211,300	9,557	-0-	220,857
Transportation	<u>312,919</u>	<u>13,292</u>	<u>-0-</u>	<u>326,211</u>
Total	<u>1,335,771</u>	<u>68,193</u>	<u>-0-</u>	<u>1,403,964</u>
Government Activities				
Capital Assets, Net	<u>1,219,569</u>	<u>(68,193)</u>	<u>-0-</u>	<u>1,151,376</u>

Depreciation expense for the governmental activities was allocated \$53,511 to instruction, \$13,292 to transportation, and \$1,390 to food services.

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D. Changes in Long-Term Debt -

Amount due for paid days off for employees:

<u>Balance</u>			<u>Balance</u>
<u>Beginning</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending</u>
\$52,088	\$13,867	\$11,095	\$54,860

(4) OTHER INFORMATION

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

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

- B. Accrued Salaries and Benefits Payable - teachers and certain other instructional employees are budgeted and paid over a twelve month period from September 1 to August 31 but are earned over a school year of approximately a nine month period. The salaries earned but not paid at June 30 are shown as an accrued liability.
- C. Operating Transfers In (Out) - The General Fund transferred \$39,608 to the Food Services Fund and \$20,934 to the Student Activity Special Revenue Fund for operating purposes.
- D. Defined Benefit Pension Plan

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

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General Information about the Pension Plan

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

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

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

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

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) Benefit Structure is the greater of the

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

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

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

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

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

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

Contributions. Eligible employees and Bethune School 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:

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	For the Year Ended December 31, 2014	For the Year Ended December 31, 2015
Employer Contribution Rate ¹	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF ¹	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	3.80%	4.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	3.50%	4.00%
Total Employer Contribution Rate to the SCHDTF ¹	16.43%	17.33%

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 Bethune School District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Bethune School District were \$172,101 for the year ended June 30, 2015.

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

At June 30, 2015, the Bethune School District reported a liability of \$164,852 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The Bethune School District proportion of the net pension liability was based on Bethune School District contributions to the SCHDTF for the calendar year 2014 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2014, the Bethune School District proportion was 0.0273536036 percent, which was an increase of 0.0018526219 percent from its proportion measured as of December 31, 2013.

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For the year ended June 30, 2015, the Bethune School District recognized pension expense of \$X,XXX. At June 30, 2015, the Bethune School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	XXX	XXX
Changes of assumptions or other inputs	XXX	XXX
Net difference between projected and actual earnings on pension plan investments	XXX	XXX
Changes in proportion and differences between contributions recognized and proportionate share of contributions	XXX	XXX
Contributions subsequent to the measurement date	XXX	N/A
Total	XXX	XXX

\$XXX,XXX reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2015	
2016 June 30, 2016	XXX
2017 June 30, 2017	XXX
2018 June 30, 2018	XXX
2019 June 30, 2019	XXX
2020 June 30, 2020	XXX
Thereafter	XXX

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Actuarial assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs:

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

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

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

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

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

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

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

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

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

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	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	XXX,XXX	XXX,XXX	XXX,XXX

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.

D. Other Post-Employment Benefits

Health Care Trust Fund

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

Funding Policy – The Bethune School 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 Bethune School 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, 2015, 2014 and 2013, the Bethune School District contributions to the HCTF were \$9,806, \$10,560 and \$10,317, respectively, equal to their required contributions for each year.

- F. Joint Venture - The District participates in the East Central Board of Cooperative Educational Services which is not reflected in these financial statements. One member of the board is from the District. The Board has final authority for all budgeting and financing of the joint venture. Each member pays a \$2500 membership fee and then contributes additional monies in the relationship their student enrollment is to the total enrollment of all the members. At June 30, 2014, total assets were \$2,797,263, total liabilities were \$685,956, net position was \$2,111,307, revenues were \$8,144,874, and expenses were \$8,174,493.

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

REQUIRED SUPPLEMENTARY INFORMATION

KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5
Bethune, Colorado
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2015

	<u>General Fund</u>			Variance With Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources	398,011.00	398,011.00	413,450.40	15,439.40
State Sources	1,483,756.00	1,483,756.00	1,420,040.39	(63,715.61)
Federal Sources	<u>95,534.00</u>	<u>95,534.00</u>	<u>74,731.64</u>	<u>(20,802.36)</u>
Total Revenues	1,977,301.00	1,977,301.00	1,908,222.43	(69,078.57)
EXPENDITURES				
Current				
Instruction	1,128,660.00	1,128,660.00	1,070,622.64	58,037.36
Supporting Services				
Pupils	57,834.00	57,834.00	55,832.72	2,001.28
Instructional Staff - Library	23,360.00	23,360.00	17,130.90	6,229.10
General Administration	280,891.00	280,891.00	295,717.19	(14,826.19)
School Administration	12,456.00	12,456.00	9,075.57	3,380.43
Business Services	1,500.00	1,500.00	838.35	661.65
Operations & Maintenance	220,262.00	220,262.00	216,254.35	4,007.65
Pupil Transportation	48,577.00	48,577.00	42,297.79	6,279.21
Central Support	40,788.00	40,788.00	34,754.93	6,033.07
Non Instructional	1,101.00	1,101.00	0.00	1,101.00
Capital Outlay	43,050.00	43,050.00	49,057.88	(6,007.88)
Appropriated reserves	<u>749,809.00</u>	<u>749,809.00</u>	<u>0.00</u>	<u>749,809.00</u>
Total Expenditures	<u>2,608,288.00</u>	<u>2,608,288.00</u>	<u>1,791,582.32</u>	<u>816,705.68</u>
Excess of revenues over (under)				
Expenditures	(630,987.00)	(630,987.00)	116,640.11	747,627.11
Other Financing Sources (Uses)				
Operating Transfers In (Out)	<u>(60,542.00)</u>	<u>(60,542.00)</u>	<u>(60,542.00)</u>	<u>0.00</u>
Excess of revenues and other sources over				
(under) expenditures and other uses	(691,529.00)	(691,529.00)	56,098.11	747,627.11
Fund Balance - Beginning	<u>691,529.00</u>	<u>691,529.00</u>	<u>690,321.45</u>	<u>(1,207.55)</u>
Fund Balance - Ending	<u>0.00</u>	<u>0.00</u>	<u>746,419.56</u>	<u>746,419.56</u>

The accompanying notes are an integral part of these statements.

OTHER INFORMATION

COMBINING STATEMENTS

KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5

Bethune, Colorado

Non-Major Governmental Funds

Combining Balance Sheet

At June 30, 2015

	<u>Food Service</u>	<u>Capital Projects</u>	<u>Student Activity</u>	<u>Total</u>
ASSETS				
Cash in Bank	39,967.28	25,298.55	14,716.52	79,982.35
Inventory	<u>6,741.28</u>	<u>0.00</u>	<u>0.00</u>	<u>6,741.28</u>
Total Assets	<u>46,708.56</u>	<u>25,298.55</u>	<u>14,716.52</u>	<u>86,723.63</u>
 LIABILITIES AND FUND BALANCE				
Liabilities				
Accrued Salaries & Benefits	7,521.12	0.00	0.00	7,521.12
 FUND BALANCE				
Nonspendable	6,741.28	0.00	0.00	6,741.28
Restricted for Capital Projects	0.00	298.55	0.00	298.55
Committed for Capital Projects	0.00	25,000.00	0.00	25,000.00
Assigned	<u>32,446.16</u>	<u>0.00</u>	<u>14,716.52</u>	<u>47,162.68</u>
Total Fund Balance	<u>39,187.44</u>	<u>25,298.55</u>	<u>14,716.52</u>	<u>79,202.51</u>
 Total Liabilities and Fund Balance	 <u>46,708.56</u>	 <u>25,298.55</u>	 <u>14,716.52</u>	 <u>86,723.63</u>

KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5
Bethune, Colorado
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2015

	<u>Food Service</u>	<u>Capital Projects</u>	<u>Student Activity</u>	<u>Total</u>
REVENUES				
Local Sources	15,250.41	0.00	11,372.15	26,622.56
State Sources	1,789.01	0.00	0.00	1,789.01
Federal Sources	<u>56,006.52</u>	<u>0.00</u>	<u>0.00</u>	<u>56,006.52</u>
Total Revenues	73,045.94	0.00	11,372.15	84,418.09
EXPENDITURES				
Current				
Salaries & Benefits	51,206.16	0.00	0.00	51,206.16
Purchased services	582.20	0.00	16,104.65	16,686.85
Supplies	58,539.49	0.00	2,573.33	61,112.82
Other	0.00	0.00	2,874.48	2,874.48
Non capital equipment	<u>3,224.00</u>	<u>0.00</u>	<u>2,377.30</u>	<u>5,601.30</u>
Total Expenditures	<u>113,551.85</u>	<u>0.00</u>	<u>23,929.76</u>	<u>137,481.61</u>
Excess of Revenues over (under) Expenditures	(40,505.91)	0.00	(12,557.61)	(53,063.52)
Other Financing Sources				
Operating Transfers	39,608.00	0.00	20,934.00	60,542.00
Commodities	<u>5,510.89</u>	<u>0.00</u>	<u>0.00</u>	<u>5,510.89</u>
Excess of Revenues and Other Sources over (under) Expenditures	4,612.98	0.00	8,376.39	12,989.37
Fund Balance - Beginning	0.00	25,298.55	6,340.13	31,638.68
Change in Accounting	<u>34,574.46</u>	<u>0.00</u>	<u>0.00</u>	<u>34,574.46</u>
Fund Balance - Ending	<u>39,187.44</u>	<u>25,298.55</u>	<u>14,716.52</u>	<u>79,202.51</u>

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

GENERAL FUND

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

KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5
Bethune, Colorado
General Fund
Comparative Balance Sheet

ASSETS	<u>6/30/15</u>	<u>6/30/14</u>	<u>Change</u>
Cash In Bank	345,337.61	293,642.26	51,695.35
Certificates of Deposit	531,996.21	531,464.55	531.66
Accounts/Grants Receivable	583.46	6,430.11	(5,846.65)
Accrued Property Tax Receivable	<u>8,095.98</u>	<u>6,751.63</u>	<u>1,344.35</u>
 Total Assets	 <u>886,013.26</u>	 <u>838,288.55</u>	 <u>47,724.71</u>
 LIABILITIES AND FUND BALANCE			
Liabilities			
Accrued Salaries and Benefits Payable	139,593.70	147,967.10	(8,373.40)
 Fund Balance			
Restricted for TABOR Reserve	54,060.33	53,400.25	660.08
Restricted for Preschool	3,194.47	0.00	3,194.47
Committed for Paid Time Off	9,756.85	8,630.86	1,125.99
Unassigned	<u>679,407.91</u>	<u>628,290.34</u>	<u>51,117.57</u>
 Total Fund Balance	 <u>746,419.56</u>	 <u>690,321.45</u>	 <u>56,098.11</u>
 Total Liabilities and Fund Balance	 <u>886,013.26</u>	 <u>838,288.55</u>	 <u>47,724.71</u>

KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5

Bethune, Colorado

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2015

With Comparative Actual Amounts for the Year Ended June 30, 2014

REVENUES	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
Local Sources				
Property Taxes	349,812.00	336,315.64	(13,496.36)	346,121.68
Specific Ownership Taxes	42,074.00	45,011.32	2,937.32	49,827.01
Delinquent Taxes & Penalties	250.00	342.10	92.10	587.56
Investment Interest	875.00	606.63	(268.37)	776.74
Indirect Costs From Preschool	0.00	1,899.61	1,899.61	1,810.48
Other	<u>5,000.00</u>	<u>29,275.10</u>	<u>24,275.10</u>	<u>66,745.65</u>
Total Local Sources	398,011.00	413,450.40	15,439.40	465,869.12
State Sources				
Equalization	1,221,788.00	1,145,627.03	(76,160.97)	1,122,559.78
Transportation	15,000.00	14,253.72	(746.28)	18,302.32
BOCES Flowthrough	66,223.00	70,760.45	4,537.45	64,968.00
Other	<u>180,745.00</u>	<u>189,399.19</u>	<u>8,654.19</u>	<u>143,661.09</u>
Total State Sources	1,483,756.00	1,420,040.39	(63,715.61)	1,349,491.19
Federal Sources				
Grants	67,000.00	43,569.89	(23,430.11)	26,917.11
BOCES Flowthrough	<u>28,534.00</u>	<u>31,161.75</u>	<u>2,627.75</u>	<u>32,072.92</u>
Total Revenues	1,977,301.00	1,908,222.43	(69,078.57)	1,874,350.34
Expenditures	<u>2,608,288.00</u>	<u>1,791,582.32</u>	<u>816,705.68</u>	<u>1,880,608.81</u>
Excess of Revenues over (under) Expenditures	(630,987.00)	116,640.11	747,627.11	(6,258.47)
Other Financing Sources (Uses)				
Operating Transfers In (Out)	<u>(60,542.00)</u>	<u>(60,542.00)</u>	<u>0.00</u>	<u>(52,821.00)</u>
Excess of Revenues and Other Sources over (under) Expenditures & Other Uses	(691,529.00)	56,098.11	747,627.11	(59,079.47)
Fund Balance - Beginning	<u>691,529.00</u>	<u>690,321.45</u>	<u>(1,207.55)</u>	<u>749,400.92</u>
Fund Balance - Ending	<u>0.00</u>	<u>746,419.56</u>	<u>746,419.56</u>	<u>690,321.45</u>

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

KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5
Bethune, Colorado
General Fund
Statement of Expenditures - Budget and Actual
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	Actual Prior <u>Year</u>
INSTRUCTION				
Current				
Salaries	614,937.00	624,123.25	(9,186.25)	662,418.73
Employee Benefits	221,203.00	223,067.92	(1,864.92)	235,475.48
Purchased Services	184,710.00	155,528.27	29,181.73	139,516.21
Supplies and Material	107,233.00	67,730.50	39,502.50	86,724.71
Other	577.00	172.70	404.30	166.55
Capital Outlay	<u>2,500.00</u>	<u>30,161.59</u>	<u>(27,661.59)</u>	<u>1,038.34</u>
Total Instruction	1,131,160.00	1,100,784.23	30,375.77	1,125,340.02
 SUPPORTING SERVICES				
Pupil				
Current				
Salaries	37,165.00	37,248.34	(83.34)	36,581.66
Benefits	14,399.00	14,456.53	(57.53)	13,492.08
Purchased Services	5,500.00	3,966.29	1,533.71	4,879.74
Supplies and Material	740.00	161.56	578.44	90.00
Other	30.00	0.00	30.00	30.00
Capital Outlay	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Pupil	57,834.00	55,832.72	2,001.28	55,073.48
 Instructional Staff Services				
Current				
Salaries	9,000.00	11,253.20	(2,253.20)	4,282.04
Employee Benefits	1,810.00	3,122.82	(1,312.82)	2,407.58
Purchased Services	9,300.00	1,918.16	7,381.84	15,615.96
Supplies and Material	3,250.00	836.72	2,413.28	3,982.24
Capital Outlay	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Instructional Staff	23,360.00	17,130.90	6,229.10	26,287.82

KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5
Bethune, Colorado
General Fund
Statement of Expenditures - Budget and Actual
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014
(continued)

SUPPORTING SERVICES (continued)			Variance Favorable	Actual Prior
General Administration	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>	<u>Year</u>
Current				
Salaries	149,266.00	154,582.94	(5,316.94)	143,013.40
Employee Benefits	60,520.00	64,880.86	(4,360.86)	57,080.50
Purchased Services	30,505.00	38,738.00	(8,233.00)	26,910.04
Supplies and Material	11,000.00	14,155.13	(3,155.13)	8,953.36
Other	29,600.00	23,360.26	6,239.74	18,451.69
Capital Outlay	<u>1,800.00</u>	<u>442.46</u>	<u>1,357.54</u>	<u>1,274.90</u>
Total General Administration	282,691.00	296,159.65	(13,468.65)	255,683.89
 School Administration				
Current				
Salaries	5,000.00	5,000.00	0.00	5,000.00
Employee Benefits	1,006.00	974.67	31.33	928.72
Purchased Services	5,500.00	2,925.90	2,574.10	4,209.20
Supplies and Material	850.00	90.00	760.00	521.56
Other	100.00	85.00	15.00	85.00
Capital Outlay	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total School Administration	12,456.00	9,075.57	3,380.43	10,744.48
 Business				
Current				
Salaries	0.00	0.00	0.00	0.00
Benefits	0.00	0.00	0.00	0.00
Purchased Services	1,500.00	838.35	661.65	901.29
Supplies and Material	0.00	0.00	0.00	0.00
Capital Outlay	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Business	1,500.00	838.35	661.65	901.29
 Operations and Maintenance				
Current				
Salaries	96,156.00	100,957.00	(4,801.00)	95,023.29
Employee Benefits	38,710.00	39,166.81	(456.81)	36,685.62
Purchased Services	31,896.00	26,585.37	5,310.63	47,388.79
Supplies and Material	53,500.00	49,545.17	3,954.83	52,186.66
Other	0.00	0.00	0.00	0.00
Capital Outlay	<u>10,500.00</u>	<u>3,980.82</u>	<u>6,519.18</u>	<u>7,606.70</u>
Total Operations & Maintenance	230,762.00	220,235.17	10,526.83	238,891.06

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

KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5
Bethune, Colorado
General Fund
Statement of Expenditures - Budget and Actual
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014
(continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	Actual Prior <u>Year</u>
SUPPORTING SERVICES				
(continued)				
Pupil Transportation				
Current				
Salaries	17,430.00	16,520.00	910.00	16,836.00
Employee Benefits	3,353.00	3,466.87	(113.87)	3,250.52
Purchased Services	11,194.00	9,264.46	1,929.54	6,102.27
Supplies and Material	16,600.00	12,980.31	3,619.69	15,103.36
Other	0.00	66.15	(66.15)	40.60
Capital Outlay	<u>250.00</u>	<u>0.00</u>	<u>250.00</u>	<u>0.00</u>
Total Transportation	48,827.00	42,297.79	6,529.21	41,332.75
Central Support Services				
Current				
Salaries	0.00	2,937.00	(2,937.00)	36,539.58
Employee Benefits	0.00	1,411.31	(1,411.31)	16,179.45
Purchased Services	33,788.00	27,808.03	5,979.97	17,325.58
Supplies and Material	7,000.00	2,598.59	4,401.41	9,242.63
Other	0.00	0.00	0.00	0.00
Capital Outlay	<u>28,000.00</u>	<u>14,473.01</u>	<u>13,526.99</u>	<u>46,988.10</u>
Total Central Support	68,788.00	49,227.94	19,560.06	126,275.34
Non Instructional Services				
Current				
Salaries	1,000.00	0.00	1,000.00	66.00
Employee Benefits	101.00	0.00	101.00	12.68
Purchased Services	0.00	0.00	0.00	0.00
Supplies and Material	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Non Instructional Services	1,101.00	0.00	1,101.00	78.68
TOTAL SUPPORTING SERVICES	727,319.00	690,798.09	36,520.91	755,268.79
Appropriated Reserves	<u>749,809.00</u>	<u>0.00</u>	<u>749,809.00</u>	<u>0.00</u>
TOTAL EXPENDITURES	<u>2,608,288.00</u>	<u>1,791,582.32</u>	<u>816,705.68</u>	<u>1,880,608.81</u>

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



“The Best Little School in Colorado”

SPECIAL REVENUE FUNDS

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

Student Activity Fund - to account for expenditures for noninstructional costs such as athletics. Financing is provided by gate admissions and transfers from the General Fund.

KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5
Bethune, Colorado
Food Services Special Revenue Fund
Comparative Balance Sheet

	<u>6/30/15</u>	<u>6/30/14</u>	<u>Change</u>
ASSETS			
Current Assets			
Cash In Bank	39,967.28	27,903.28	12,064.00
Accounts Receivable	0.00	4,413.98	(4,413.98)
Inventory	<u>6,741.28</u>	<u>9,435.44</u>	<u>(2,694.16)</u>
Total Current Assets	<u>46,708.56</u>	<u>41,752.70</u>	<u>4,955.86</u>
 LIABILITIES AND FUND BALANCE			
Liabilities			
Accrued Salaries & Benefits	7,521.12	7,178.24	342.88
 FUND BALANCE			
Nonspendable	6,741.28	9,435.44	(2,694.16)
Assigned	<u>32,446.16</u>	<u>25,139.02</u>	<u>7,307.14</u>
Total Fund Balance	<u>39,187.44</u>	<u>34,574.46</u>	<u>4,612.98</u>
 Total Liabilities and Fund Balance	 <u>46,708.56</u>	 <u>41,752.70</u>	 <u>4,955.86</u>

KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5
Bethune, Colorado
Food Services Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
REVENUES				
Local Sources				
Charges for Service				
Student Meals	6,000.00	6,479.50	479.50	8,666.70
Adult Meals	9,000.00	8,770.91	(229.09)	10,762.58
State Sources	1,400.00	1,789.01	389.01	1,576.49
Federal Sources	<u>44,000.00</u>	<u>56,006.52</u>	<u>12,006.52</u>	<u>58,915.62</u>
Total Revenues	60,400.00	73,045.94	12,645.94	79,921.39
EXPENDITURES				
Salaries	25,250.00	31,267.53	(6,017.53)	32,032.37
Benefits	18,831.00	19,938.63	(1,107.63)	18,927.23
Food & Milk	59,000.00	48,538.09	10,461.91	55,280.12
Commodities	3,450.00	5,198.52	(1,748.52)	5,145.32
Purchased Services	2,600.00	582.20	2,017.80	1,855.56
Non-Food	8,000.00	4,802.88	3,197.12	7,611.29
Dues & Fees	0.00	0.00	0.00	0.00
Non-capital Equipment	<u>2,150.00</u>	<u>3,224.00</u>	<u>(1,074.00)</u>	<u>1,879.97</u>
Total Expenditures	<u>119,281.00</u>	<u>113,551.85</u>	<u>5,729.15</u>	<u>122,731.86</u>
Revenues over (under) Expenditures	(58,881.00)	(40,505.91)	18,375.09	(42,810.47)
Other Operating Sources				
Operating Transfer In	39,608.00	39,608.00	0.00	41,235.00
Commodities	<u>0.00</u>	<u>5,510.89</u>	<u>5,510.89</u>	<u>4,439.79</u>
Excess of Revenues and Other Sources over (under) Expenditures	(19,273.00)	4,612.98	23,885.98	2,864.32
Fund Balance - Beginning	19,273.00	0.00	(19,273.00)	31,710.14
Change in Accounting	<u>0.00</u>	<u>34,574.46</u>	<u>34,574.46</u>	<u>0.00</u>
Fund Balance - Ending	<u>0.00</u>	<u>39,187.44</u>	<u>39,187.44</u>	<u>34,574.46</u>

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

KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5
Bethune, Colorado
Student Activity Special Revenue Fund
Comparative Balance Sheet

ASSETS	<u>6/30/15</u>	<u>6/30/14</u>	<u>Change</u>
Cash In Bank	<u>14,716.52</u>	<u>6,340.13</u>	<u>8,376.39</u>
 ASSIGNED FUND BALANCE	 <u>14,716.52</u>	 <u>6,340.13</u>	 <u>8,376.39</u>

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
REVENUES				
Charges for service	8,750.00	11,372.15	2,622.15	9,676.64
 EXPENDITURES				
Purchased services	21,130.00	16,104.65	5,025.35	16,045.40
Supplies	4,900.00	2,573.33	2,326.67	4,245.67
Other	4,000.00	2,874.48	1,125.52	3,001.80
Non capital equipment	<u>5,750.00</u>	<u>2,377.30</u>	<u>3,372.70</u>	<u>4,753.80</u>
Total Expenditures	<u>35,780.00</u>	<u>23,929.76</u>	<u>11,850.24</u>	<u>28,046.67</u>
 Excess of Revenues over (under) Expenditures	 (27,030.00)	 (12,557.61)	 14,472.39	 (18,370.03)
 Operating Transfers	 <u>20,934.00</u>	 <u>20,934.00</u>	 <u>0.00</u>	 <u>11,586.00</u>
 Excess of Revenues and Other Sources over (under) Expenditures	 (6,096.00)	 8,376.39	 14,472.39	 (6,784.03)
 Fund Balance - Beginning	 <u>6,096.00</u>	 <u>6,340.13</u>	 <u>244.13</u>	 <u>13,124.16</u>
 Fund Balance - Ending	 <u>0.00</u>	 <u>14,716.52</u>	 <u>14,716.52</u>	 <u>6,340.13</u>

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

CAPITAL PROJECTS FUNDS

Capital Projects Fund - to account for acquisition of land and construction of structures thereon, or acquisition of land with existing structures thereon and equipment and furnishing therein; construction of additions to existing structures; procurement of equipment for new buildings and additions to existing buildings and installation thereof; alterations and improvements to existing structures where the estimated cost of such projects for labor and materials is in excess of two thousand five hundred dollars; and acquisition of school buses or other equipment, the estimated unit cost of which, including any necessary installations, is in excess of one thousand dollars. Lease agreements with option to purchase for a period of one year or less, including lease agreements consisting of a series of one-year terms renewable at the option of the District. Financing is provided by an allocation from the General Fund.

KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5
Bethune, Colorado
Capital Reserve Capital Projects Fund
Comparative Balance Sheet

ASSETS	<u>6/30/15</u>	<u>6/30/14</u>	<u>Change</u>
Cash			
In Bank	<u>25,298.55</u>	<u>25,298.55</u>	<u>0.00</u>
LIABILITIES			
Accounts Payable	0.00	0.00	0.00
FUND BALANCE			
Committed	25,000.00	25,000.00	0.00
Restricted	<u>298.55</u>	<u>298.55</u>	<u>0.00</u>
Total Fund Balance	<u>25,298.55</u>	<u>25,298.55</u>	<u>0.00</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>25,298.55</u>	<u>25,298.55</u>	<u>0.00</u>

KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5

Bethune, Colorado

Capital Reserve Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Budget and Actual

For the Year Ended June 30, 2015

With Comparative Actual Amounts for the Year Ended June 30, 2014

		<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual Prior Year</u>
Local Sources				
Investment Earnings	0.00	0.00	0.00	0.00
Other	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Local Sources	0.00	0.00	0.00	0.00
EXPENDITURES				
Capital Outlay				
	0.00	0.00	0.00	0.00
Appropriated Reserves	<u>25,299.00</u>	<u>0.00</u>	<u>25,299.00</u>	<u>0.00</u>
Total Expenditures	<u>25,299.00</u>	<u>0.00</u>	<u>25,299.00</u>	<u>0.00</u>
Excess of Revenues over (under) Expenditures	(25,299.00)	0.00	25,299.00	0.00
Other Financing Sources				
Operating Transfers In	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Excess of Revenues over (Under) Expenditures and Other Uses	(25,299.00)	0.00	25,299.00	0.00
Fund Balance - Beginning	<u>25,298.55</u>	<u>25,298.55</u>	<u>0.00</u>	<u>25,298.55</u>
Fund Balance - Ending	<u>(0.45)</u>	<u>25,298.55</u>	<u>25,299.00</u>	<u>25,298.55</u>

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

AGENCY FUND

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

KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5
Bethune, Colorado
Student Activity Agency Fund
Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2015

	Balance <u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30</u>
Board of Education	2,318.03	11,035.48	11,325.92	2,027.59
Checking interest	1,954.61	1.24	0.00	1,955.85
Class of 2011	225.03	0.00	225.03	0.00
Class of 2012	111.98	0.00	111.98	(0.00)
Class of 2013	249.31	0.00	249.31	0.00
Class of 2014	287.25	0.00	237.25	50.00
Class of 2015	10,406.06	1,293.25	9,989.17	1,710.14
Class of 2016	997.63	20,771.47	11,640.65	10,128.45
Class of 2017	692.96	0.00	0.00	692.96
Class of 2018	0.00	113.75	0.00	113.75
FBLA	1,047.64	34.15	36.97	1,044.82
FFA	1,140.00	0.00	0.00	1,140.00
SLAC	(119.02)	0.00	0.00	(119.02)
Drama	2,121.17	643.89	11.61	2,753.45
SADD	5.83	0.00	0.00	5.83
Student Council	2,925.73	1,840.00	1,464.82	3,300.91
Athletics	4,122.41	100.00	0.00	4,222.41
Volleyball	347.50	0.00	0.00	347.50
Football	482.65	0.00	123.00	359.65
Book Fair	(210.68)	2,801.49	2,801.49	(210.68)
Recycling	195.22	0.00	37.48	157.74
Bethune Memorial Scholarship	11,247.58	285.21	176.43	11,356.36
N Leonard Scholarship	(37.48)	500.00	(37.48)	500.00
J Thiede Family Memorial Scholarship	<u>1,327.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,327.00</u>
Total	41,838.41	39,419.93	38,393.63	42,864.71
 Budget	 <u>43,242.00</u>	 <u>45,000.00</u>	 <u>88,242.00</u>	 <u>0.00</u>
Variance - Favorable (Unfavorable)	<u>(1,403.59)</u>	<u>(5,580.07)</u>	<u>49,848.37</u>	<u>42,864.71</u>

AUDITOR'S INTEGRITY REPORT

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



Colorado Department of Education
Auditors Integrity Report
 District: 1490 - BETHUNE R-5
 Fiscal Year 2014-15
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental						
10 General Fund	690,321		1,809,688	1,756,784		743,225
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	0		37,992	34,798		3,194
Sub-Total	690,321		1,847,680	1,791,582		746,420
11 Charter School Fund	0		0	0		0
20.26-29 Special Revenue Fund	0		0	0		0
21 Food Service Spec Revenue Fund	34,574		118,165	113,552		39,187
22 Govt Designated-Purpose Grants Fund	0		0	0		0
23 Pupil Activity Special Revenue Fund	6,340		32,306	23,930		14,717
24 Full Day Kindergarten Mill Levy Override	0		0	0		0
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	0		0	0		0
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	25,299		0	0		25,299
Totals	756,535		1,998,151	1,929,064		825,622
Proprietary						
50 Other Enterprise Funds	0		0	0		0
64 (63) Risk-Related Activity Fund	0		0	0		0
60.65-69 Other Internal Service Funds	0		0	0		0
Totals	0		0	0		0
Fiduciary						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	41,838		39,420	38,394		42,865
79 GASB 34 Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
Totals	41,838		39,420	38,394		42,865
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.