ELBERT COUNTY SCHOOL DISTRICT NO. 200

ELBERT COUNTY, COLORADO

BASIC FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2014

ELBERT COUNTY SCHOOL DISTRICT NO. 200

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2014

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INDEPENDENT AUDITOR'S REPORT

The Board of Education
Elbert County School District No. 200
Elbert, Colorado

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, of the Elbert County School District No. 200, Elbert County, Colorado (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund of the District as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information shown as required supplementary information in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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. I 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 principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The statements included in the other supplementary information section and Colorado Department of Education Auditor's Integrity Report are presented for additional analysis and are not a required part of the basic financial statements.

The other supplementary information and Colorado Department of Education 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Colorado Springs, Colorado
November 28, 2014

Elbert School District #200
Year Ended June 30, 2014
Management's Discussion and Analysis 2013-14

As management of the Elbert School District #200, we offer readers of the District's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and financial statements, which immediately follow this section.

Financial Highlights

- The primary government has government-wide net position totaling over $20,347,378 at the end of the current fiscal year. This is an increase in net position of $17,355,686.00 due to the new school completed and moved into the beginning of June 2014.

- Governmental activities have an unrestricted net position of $1,119,981. The Business-type activities have unrestricted net position of $8,387.

- Fund balance of the District's governmental funds decreased by $69,515 in 2013-14.

- Net position of the business-type fund increased by $529.

- The District was approved for a BEST grant by the Colorado Department of Education in the amount of $17,303,278 to finance the building of a new school. In December of 2012, the voters of the District approved the issuance of general obligation bonds in the amount of $2,874,635.

Overview of the Financial Statements

The Management's Discussion and Analysis is intended to serve as an introduction to the District's financial statements. The Elbert School District #200's basic financial statements are comprised of two components, Basic Financial Statements and Supplemental Information. The Basic Financial Statements have the three sections: 1) Government-wide Financial Statements and 2) Fund Financial Statements, and 3) Notes to the Financial Statements. The Supplemental Information is comprised of the combining and individual fund statements and schedules.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers a broad overview of Elbert School District #200's financial activities in a manner similar to a private sector business.

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

The statement of activities presents information showing how the net position of the District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying events occur, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (example: levied but uncollected property taxes and earned but unused employee's vacation leave).

The government-wide financial statements consolidate governmental and internal service type activities that are principally supported by taxes and intergovernmental revenues from business-type activities that are intended to recover all or most of their costs through user fees and charges. Governmental activities consolidate all of the following Elbert School District #200 funds: General Fund, Designated Purpose Grants Fund, Pupil Activity Fund, Building Fund, Capital Reserve Capital Projects Building Fund and Bond Redemption Fund. Business-type activities include the Food Service Fund.

Fund Financial Statements

These statements focus on individual parts of the District. The District's operations are in more detail then the government-wide statements.

Governmental Funds

The governmental funds statements show how basic services such as instruction were financed in the short-term as well as what remains (fund balances) for the future spending (budgeting).

The District adopts an annual appropriated budget for each of the individual governmental funds. A budgetary comparison schedule for the general fund is included in the fund financial statements to demonstrate compliance with the adopted budget.

Proprietary Funds

Elbert School District #200 has one Proprietary Fund. This fund is the food service fund. The food service fund is considered an individual enterprise fund used to present the same function as the business-type activities presented in the government-wide financial statements.

Notes to the Financial Statements

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 supplemental information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Required Supplemental Information

In addition to the financial statements and accompanying notes, this report also contains required supplemental information concerning the District's Special Revenue Funds. The combining statements of the special revenue governmental funds are presented after the notes to the financial statements.

Government-wide Financial Analysis

Government-wide Net Position

The assets of Elbert School District #200 are classified as current assets and capital assets. Cash, property taxes receivables and governmental accounts receivables are the current assets. These assets are available to provide the resources for the near-term operations of the District. Capital assets are used in the operations of the District. These assets include land, buildings, equipment and vehicles.

The assets of the District exceed liabilities by $20,347,378. The liabilities of the district 2013-14 school year were accounts payable, accrued salaries and benefits and matching bonds payable of $4,713,132.00.

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total % Change
	2013	2014	2013	2014	2013	2014	2013-14
Assets							
Current	$5,330,394	$6,488,375	$ 3,318	$8,387	$5,333,712	$6,496,732	22%
Capital/Net depreciation	$1,215,139	$18,541,294	$26,994	$22,454	$1,242,133	$18,563,748	1400%
Total Assets	$6,545,533	$25,029,669	$30,312	$30,841	$6,575,845	$25,060,510	281%
Liabilities							
Current	$ 848,398	$2,056,623	0	0	$ 848,398	$2,056,623	143%
Noncurrent	$2,766,596	$2,656,623	$ 0	$ 0	$2,766,596	$2,656,623	-4%
Total Liabilities	$3,614,994	$4,713,132	0	0	$3,614,994	$4,713,132	30%
Net Position							
Invested in Capital	$ 1,193,820	$15,774,698	$26,994	$22,454	$ 1,220,814	$ 15,797,152	1194%
Restricted	$ 3,593,091	$3,421,858	0	0	$ 3,593,091	$3,267,124	-9%
Unrestricted	$-1,856,372	$1,119,981	$ 3,318	$ 8,387	$-1,853,054	1,128,368	161%
Total Net Position	$ 2,930,539	$20,316,537	$30,312	$30,841	$2,960,851	$20,347,378	587%

The major change in the net position from 2012-13 to 2013-14 is that total assets increased by $18,484,665 and liabilities increased by about $1,098,138.

Total Liabilities Net Position 2012-13

	Governmental	Business-Type	Total
Total Liabilities and Net Position	**$6,545,533**	**$30,312**	**$6,575,845**

Total Liabilities Net Position 2013-14

	Governmental	Business-Type	Total
Total Liabilities and Net Position	**$25,029,669**	**$30,841**	**$25,060,510**

Government Activities/Business Type

The governmental activities increased the net position of the District by $17,385,998 during the current fiscal year ended June 30, 2014 mainly because of changes in the current assets. The business-type activities increased the net position by $529.

	Governmental	Business-Type	Total
Net assets July 1, 2012	$2,932,988	38,737	$2,971,725
Net assets June 30, 2013	$2,930,539	30,312	$2,960,851
Net assets July 1, 2013	$2,930,539	30,312	$2,960,851
Net assets June 30, 2014	$20,316,537	30,841	20,347,378

The following is a comparison of the District's general revenues, program revenues and governmental activities for the years 2012-13 and 2013-14:

Comparison of Revenues and Expenses

	2012-2013	2013-2014	Increase(decrease)
General Revenues:			
Local property taxes	$ 536,509	$ 564,017	$ 27,508
Specific ownership taxes	62,733	90,784	28,051
State equalization	1,842,066	1,784,544	(57,522)
Other	45,142	61,589	16,447
Program Revenues:			
Charges for svcs.-govt	65,781	58,480	(7,301)
Charges for svcs.-food	27,137	26,773	(364)
Operating grant –food	20,836	22,109	1,273
Operating grant-inst.	51,582	52,527	945
Operating grant-transp.	25,480	22,207	3273
Capital grant/contrib.	1,343,200	15,960,078	14,616,878
Total Revenues	$ 4,020,466	$18,643,108	14,622,642
Expenses:			
Instruction	$ 1,469,810	$ 1,270,875	$ (198,935)
Pupil/Instructional	317,295	325,974	8,679
Administration/Business	336,594	392,964	56,370
Operations/Maintenance	201,771	212,154	10,383
Transportation	143,668	139,307	(4,361)
Other	79,889	74,216	(5,673)
Facility Acquisitions	1,350,100	-1,335,681	(2,685,781)
Debt Service -Interest	44,958	85,163	40,205
Food services	87,255	91,609	4,354
Total Expenses	$ 4,031,340	$ 1,256,581	$ (2,774,759)
Change in Net Position	(10,874)	17,386,527	
Net Position begin of year	2,971,725	2,960,851	
Net Position end of year	$ 2,960,851	$ 20,347,378	

Financial Analysis of the Government's Funds

Elbert School District #200 uses fund accounting to ensure and demonstrate compliance with finance-related legal, federal, and state requirements.

The General Fund is the primary major governmental fund (General Fund, Pupil Activity Fund, Capital Reserve Capital Projects Building Fund and Bond Redemption Fund) for Elbert School District #200. The ending fund balance for the General Fund 2013-14 is $1,205,595. Tabor reserves of 75,000 are set aside. The fund balance is an increase from 12-13 of $202,447 because of changes in staffing done in the summer of 2013 and other miscellaneous cuts.

The Special Revenue funds (Pupil Activity and Designated Purpose Grants Fund), Building Fund, Capital Reserve – Capital Projects Building Fund and the Bond Redemption Fund are the remaining funds that make up the major governmental fund. The Designated Grant Fund is for our Title programs and the REAP grant.

The Pupil Activity Fund balance was increased by $6,241. The end of the year fund balance was $60,972.

The Capital Reserve Capital Project - Building Fund balance was increased by $20,422. This increase was from a transfer from General Fund as a savings for future equipment and building expenses.

The Food Service fund is funded by the sale of lunches and monies from the federal lunch program. The net position increased by $529.

General Fund Budgetary Highlights

The District budget is prepared according to Colorado law. The most significant budgeted fund is the General Fund.

Elbert School District #200 began budget development for the 2013-14 budgets in February of 2013. In February all teaching staff and department heads are given budget request for their input into the needs of the District.

A mid-year analysis for 2012-13 is completed in early March and enrollment projections and revenues estimated to begin a preliminary budget, which is submitted in first draft form to the Board of Education. The Accountability Committee, representing students, staff and citizens of the community review budget prior to a Budget Workshop held in May. The Board has budget discussion on the draft proposed budget in April, May and June. Adoption of the 2013-14 District budget occurred on June 25, 2013.

No additional budget appropriations were made during the fiscal year to the General Fund budget.

The 2013-14 Budget included the following:

- Received Rural Education Achievement Program grant of $20,895 which allowed for enhancing teacher/staff development, enhanced educational programs, i.e., Summer school, educational information technology between staff and students, and provided funds for an ASHES program (After School Helps Everyone Succeed). Other uses of these funds have been used for teacher professional development, enhancing education through technology, Safe and Drug-free schools and community, innovative programs, Davis Learning Strategies training and implementation. A remaining amount of $1,879 of REAP money will be expending in the 2014-15 budget year as well as hopefully another REAP grant will be awarded in the summer of 2014.

- The pay off of computers for the business lab and laptops for teaching staff will be completed in the 2013-14 budget year.

- Due to the Federal Sequestration of Federal Funds the Board of Education of Elbert School District #200 declared a Fiscal Exigency for the 13-14 Budget and a Reduction in Force was implemented decreasing the certified staff by one position.

- The school website was updated and enhanced for student, staff and community contact. The State passed the Public School Financial Transparency Act, Article 44 of Title 22, C.R.S. Part 3 which has various reports, statements and document on the school website for public viewing.

- A BEST grant was awarded by the Colorado Department of Education for the construction of a new school in the amount of $16.279 Million pending the school passage of a bond for 2.8 million. The Bond passed on the third year of trying so a closing took place in December of 2012 in which General Obligation bonds were sold in the amount of $2,874,635. This transaction brought about the need for the district to start a Bond Redemption Fund and a Building Fund for the new building. The bond is a 20 year obligation with the last payment being due in 2032.

- an on-line auction took place the month of May to sell all old furniture, fixtures and equipment to empty out the old school prior to demolition that began the week of May 21st, 2014. The auction proceeds of approximately $21,000 will be used to help with unforeseen start-up cost of the new building and new programs that will be made available to students in the new school such as culinary arts, wood shop and several new systems being put into place.

Capital Assets and Debt Administration

The District's investment in capital assets for its governmental and business type activities as of June 30, 2014 amounts to $18,563,748. Additional information on the District's capital assets and capital lease payable can be found in the notes of the Basic Financial Statements of this report.

During 2013-14, the District paid off a capital lease agreement purchasing computer equipment from Dell Financial Services. The District did a buyout of the lease and has incorporated the computers into their technology inventory.

Economic Factors and Next Year's Budgets

The ever changing financial crisis of the school funding in Colorado has caused the Elbert School District 200 Board of Education to be very conservative with all funding and expenditures.

During September 2001, the State issued school report cards for every public school in the state. The report card gives each school a performance grade based on the state of Transitional Colorado Assessment Program (TCAP) tests given to all students third through tenth grades. School receiving an unsatisfactory grade for two or more years will be turned into a charter school under state law. Elbert School District #200 continues to be accredited.

The student population at the school has been relatively stable. No surges in growth have occurred in any given year except in the year, 2003-04 when the funded pupil count increased by 16 students. The 2004-05 budget year student count decreased by 5 students. The 2005-06 year funded population was 269.5. The 2006-07 year saw another year of declining enrollment in which the October 1 funded pupil count was 238. The 2007-08 funded pupil count was 235.5 which was a decrease of 2.5 students from the year prior. The 2008-09 funded pupil count was 252.5 which was an increase of 17 from 07-08. The 2009-10 funded pupil count was 223 which is a decrease of 29.5 from 08-09. The 2010-11 funded pupil count was 233.9 which is an increase of 10.9 from 09-10. The 2011-12 funded pupil count was 222.4 which is a decrease of 11.5 from 10-11. The 2012-13 funded pupil count was 214.3 which is a decrease of 8.1 from 2011-12. The enrollment for 2013-14 of the funded pupil count was 200.4

The new school building is almost complete and will open for the August 2014 school start.

Contacting the District's Financial Management

This report is designed to provide the District's citizens, taxpayers, parents, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives and expends. If you have questions about this report or need additional financial information, contact the Business Management Office, Elbert School District #200, 24489 Main St., Elbert, CO 80106.

BASIC FINANCIAL

STATEMENTS

Elbert County School District No. 200
Statement of Net Position
June 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 834,120	$ 4,421	$ 838,541
Cash with county treasurer	2,383	-	2,383
Restricted cash with fiscal agent	3,192,124	-	3,192,124
Investments	615,982	-	615,982
Property taxes receivable	3,160	-	3,160
Accounts receivable	182,511	-	182,511
Grants receivable	1,658,095	855	1,658,950
Inventories - food service	-	1,785	1,785
Inventories - USDA commodities	-	1,326	1,326
Total current assets	6,488,375	8,387	6,496,762
Capital assets:			
Land and construction in progress	17,857,944	-	17,857,944
Depreciable assets	4,689,693	148,668	4,838,361
Accumulated depreciation	(4,006,343)	(126,214)	(4,132,557)
Capital assets, net of depreciation	18,541,294	22,454	18,563,748
Total assets	$ 25,029,669	$ 30,841	$ 25,060,510
Liabilities			
Current liabilities:			
Deficit cash	$ 8,133	$ -	$ 8,133
Accounts payable	1,865,695	-	1,865,695
Accrued salaries and benefits	72,708	-	72,708
Matching bonds payable - current	110,087	-	110,087
Total current liabilities	2,056,623	-	2,056,623
Noncurrent liabilities:			
Matching bonds payable	2,656,509	-	2,656,509
Total noncurrent liabilities	2,656,509	-	2,656,509
Total liabilities	4,713,132	-	4,713,132
Net position			
Invested in capital assets, net of related debt	15,774,698	22,454	15,797,152
Restricted for:			
TABOR	75,000	-	75,000
Capital projects	3,192,124	-	3,192,124
Debt service	154,734		
Unrestricted	1,119,981	8,387	1,128,368
Total net position	$ 20,316,537	$ 30,841	$ 20,347,378

See accompanying notes to basic financial statements

Elbert County School District No. 200
Statement of Activities
Fiscal year ended June 30, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total
Governmental activities:							
Regular instruction	$ 1,270,875	$ 1,612	$ 52,527	$ -	$ (1,216,736)	$ -	$ (1,216,736)
Cocurricular activities	173,791	56,868	-	-	(116,923)	-	(116,923)
Student services	37,234	-	-	-	(37,234)	-	(37,234)
Instructional staff	114,949	-	-	-	(114,949)	-	(114,949)
General administration	105,542	-	-	-	(105,542)	-	(105,542)
School administration	224,454	-	-	-	(224,454)	-	(224,454)
Support services - business	62,968	-	-	-	(62,968)	-	(62,968)
Operations and maintenance	212,154	-	-	-	(212,154)	-	(212,154)
Student transportation	139,307	-	22,207	-	(117,100)	-	(117,100)
Support services - central	36,555	-	-	-	(36,555)	-	(36,555)
Pike Peak BOCES	37,661	-	-	-	(37,661)	-	(37,661)
District-wide facility acquisitions	(1,335,681)	-	-	15,960,078	17,295,759	-	17,295,759
Debt service - interest	85,163	-	-	-	(85,163)	-	(85,163)
Total governmental activities	1,164,972	58,480	74,734	15,960,078	14,928,320	-	14,928,320
Business-type activities:							
Food services	91,609	26,773	22,109	-	-	(42,727)	(42,727)
Total business-type activities	91,609	26,773	22,109	-	-	(42,727)	(42,727)
Total primary government	$ 1,256,581	$ 85,253	$ 96,843	$ 15,960,078	$ 14,928,320	$ (42,727)	$ 14,885,593
		General revenues					
		Taxes:					
		Local property taxes			$ 564,017	$ -	$ 564,017
		Specific ownership taxes			90,784	-	90,784
		State equalization			1,784,544	-	1,784,544
		Other local sources			60,540	-	60,540
		Interest on investments			1,043	6	1,049
		Transfers			(43,250)	43,250	-
		Total general revenues and transfers			2,457,678	43,256	2,500,934
		Change in net position			17,385,998	529	17,386,527
		Net position July 1, 2013			2,930,539	30,312	2,960,851
		Net position June 30, 2014			$ 20,316,537	$ 30,841	$ 20,347,378

See accompanying notes to basic financial statements

Elbert County School District No. 200
Balance Sheet
Governmental Funds
June 30, 2014

Assets	General Fund	Designated Purpose Grants Fund	Pupil Activity Fund	Building Fund	Capital Reserve Capital Projects Building Fund	Bond Redemption Fund	Total Governmental Funds
Cash and cash equivalents	$ 598,347	$ -	$ 41,510	$ -	$ 40,370	$ 153,893	$ 834,120
Cash with county treasurer	1,542	-	-	-	-	841	2,383
Restricted cash with fiscal agent	-	-	-	3,192,124	-	-	3,192,124
Investments	602,546	-	-	-	13,436	-	615,982
Property taxes receivable	3,160	-	-	-	-	-	3,160
Due from other funds	-	-	19,462	-	-	-	19,462
Other accounts receivable	-	-	-	182,511	-	-	182,511
Grants receivable	-	8,133	-	1,649,962	-	-	1,658,095
Total Assets	$ 1,205,595	$ 8,133	$ 60,972	$ 5,024,597	$ 53,806	$ 154,734	$ 6,507,837
Liabilities and Fund Balances							
Liabilities:							
Deficit cash	$ -	$ 8,133	$ -	$ -	$ -	$ -	$ 8,133
Accounts payable	33,222	-	-	1,832,473	-		1,865,695
Accrued salaries and benefits	72,708	-	-	-	-	-	72,708
Due to other funds	-	-	-	-	19,462	-	19,462
Total liabilities	105,930	8,133	-	1,832,473	19,462	-	1,965,998
Fund Balances - spendable, reported in:							
Restricted fund balance:							
Capital projects	-	-	-	3,192,124	-	-	3,192,124
Debt service	-	-	-	-	-	154,734	154,734
TABOR	75,000	-	-	-	-	-	75,000
Assigned fund balance:							
Other assigned fund balance	-	-	60,972	-	34,344	-	95,316
Unassigned fund balance:							
General fund	1,024,665	-	-	-	-	-	1,024,665
Total fund balances	1,099,665	-	60,972	3,192,124	34,344	154,734	4,541,839
Total Liabilities and Fund Balances	$ 1,205,595	$ 8,133	$ 60,972	$ 5,024,597	$ 53,806	$ 154,734	$ 6,507,837

See accompanying notes to basic financial statements

Elbert County School District No. 200
Reconciliation of Governmental Funds Balance Sheet to
Statement of Net Position
June 30, 2014

Governmental funds total fund balances	$	4,541,839
Add:		
Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds		22,547,637
Deduct:		
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition		(4,006,343)
Matching bonds payable		(2,766,596)
Governmental activities net positon	$	20,316,537

See accompanying notes to basic financial statements

Elbert County School District No. 200
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Fiscal Year Ended June 30, 2014

	General Fund	Designated Purpose Grants Fund	Pupil Activity Fund	Building Fund	Capital Reserve Capital Projects Building Fund	Bond Redemption Fund	Total Governmental Funds
Revenues							
Local sources	$ 515,071	$ -	$ 56,911	$ -	$ 13,383	$ 202,852	$ 788,217
State sources	1,813,959	-	-	15,960,078	-	-	17,774,037
Federal sources	107	45,212	-	-	-	-	45,319
Total revenues	2,329,137	45,212	56,911	15,960,078	13,383	202,852	18,607,573
Expenditures							
Current:							
Regular instruction	1,071,175	45,212	-	-	-	-	1,116,387
Cocurricular activities	123,121	-	50,670	-	-	-	173,791
Student services	37,234	-	-	-	-	-	37,234
Instructional staff	114,949	-	-	-	-	-	114,949
General administration	105,542	-	-	-	-	-	105,542
School administration	224,454	-	-	-	-	-	224,454
Support services - business	62,968	-	-	-	-	-	62,968
Operations and maintenance	212,154	-	-	-	-	-	212,154
Student transportation	139,307	-	-	-	-	-	139,307
Support services - central	35,805	-	-	-	-	750	36,555
Pikes Peak BOCES	37,661	-	-	-	-	-	37,661
District-wide facility acquisitions	-	-	-	16,142,589	15,726	-	16,158,315
Debt service:							
Principal retirements	-	-	-	-	21,319	108,039	129,358
Interest and fiscal charges	-	-	-	-	378	84,785	85,163
Total expenditures	2,164,370	45,212	50,670	16,142,589	37,423	193,574	18,633,838
Excess(deficiency) of revenues over(under) Expenditures	164,767	-	6,241	(182,511)	(24,040)	9,278	(26,265)
Other financing sources (uses)							
Proceeds from issuance of bonds & COP	-	-	-	-	-	-	-
Transfer in	-	-	-	-	25,000	-	25,000
Transfer (out)	(68,250)	-	-	-	-	-	(68,250)
Total other financing sources (uses)	(68,250)	-	-	-	25,000	-	(43,250)
Net change in fund balances	96,517	-	6,241	(182,511)	960	9,278	(69,515)
Fund balances at beginning of year	1,003,148	-	54,731	3,374,635	33,384	145,456	4,611,354
Fund balances at end of year	$ 1,099,665	$ -	$ 60,972	$ 3,192,124	$ 34,344	$ 154,734	$ 4,541,839

See accompanying notes to basic financial statements

Elbert County School District No. 200
Reconciliation of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Governmental funds changes in fund balances	$	(69,515)
Government 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 amount of capital outlay reported as an expenditure in the governmental funds functions.		17,480,643
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.		(154,488)
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level:		
Principal payments on general obligaton bonds payable		108,039
Principal payments on capital lease		21,319
Change in net position of governmental activities	$	17,385,998

See accompanying notes to basic financial statements

Elbert County School District No. 200
Statement of Net Position
Proprietary Fund
June 30, 2014

	Business-type Activities Food Service Fund
Assets	
Current assets:	
Cash and cash equivalents	$ 4,421
Grants receivable	855
Inventories - food	1,785
Inventories - USDA commodities	1,326
Total current assets	8,387
Capital assets:	
Land and construction in progress	-
Depreciable assets	148,668
Accumulated depreciation	(126,214)
Capital assets, net of depreciation	22,454
Total assets	$ 30,841
Liabilities	
Current liabilities:	
Deficit cash	$ -
Accounts payable	-
Total current liabilities	-
Net position	
Invested in capital assets	22,454
Unrestricted	8,387
Total net position	30,841
Total liabilities and net position	$ 30,841

See accompanying notes to basic financial statements

Elbert County School District No. 200
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund - Food Service Fund
Fiscal Year Ended June 30, 2014

	Food Service Fund Actual
Operating Revenues	
Food sales-charges for services	$ 26,773
Other local sources	-
Total operating revenues	26,773
Operating Expenses	
Purchased food	23,931
USDA commodities	4,516
Salaries and benefits	57,129
Purchased services	32
Supplies	1,460
Depreciation	4,541
Total operating expenses	91,609
Income (loss) from operations	(64,836)
Non-operating revenues (expenses):	
USDA commodities	4,779
National breakfast and lunch program	16,788
State sources	542
Interest income	6
Total non-operating revenues (expenses)	22,115
Income (loss) before transfers	(42,721)
Transfers from general fund	43,250
Change in net position	529
Total net position at beginning of year	30,312
Total net position at end of year	$ 30,841

See accompanying notes to basic financial statements

Elbert County School District No. 200
Statement of Cash Flows
Proprietary Fund - Food Service Fund
Fiscal Year Ended June 30, 2014

	Food Service Fund
Cash flows from operating activities:	
Receipts from customers	$ 26,773
Payments to employees	(57,129)
Payments to vendors	(25,869)
Net cash provided(used for) operating activities	(56,225)
Cash flows from noncapital financing activities:	
Transfers received	43,250
Federal reimbursements	15,933
State reimbursements	541
Net cash provided by noncapital financing activities	59,724
Cash flows from capital and related financing activities:	
Purchase of capital assets	-
Net cash used for capital and related financing activities	-
Cash flows from investing activities:	
Interest received	6
Net cash provided by investing activities	6
Net increase (decrease) in cash and cash equivalents	3,505
Cash and cash equivalents, beginning of year	916
Cash and cash equivalents, end of year	$ 4,421
Reconciliation of cash flows from operating activities:	
Operating income	$ (64,836)
Adjustments to reconcile operating income(loss) to net cash provided(used for) operating activities:	
Depreciation	4,541
Use of USDA contributed commodities	4,779
(Increase) decrease in inventories	(709)
Increase (decrease) in account payable	-
Net cash provided by (used for) operating activities	$ (56,225)

The District received $4,198 in commodities inventories from the U.S. Department of Agriculture at June 30, 2014.

See accompanying notes to basic financial statements

Note 1 - **Summary of Significant Accounting Policies**

The Elbert County School District No. 200 (the District) was formed in 1880 encompassing approximately 141 square miles of southern Elbert County, Colorado. The District operates under an elected Board of Education with five members and provides educational services to approximately 200 students.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education within its boundaries of Elbert County, Colorado. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14, *"The Financial Reporting Entity" (GASB No. 14)* describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

The District is not included in any other governmental "reporting entity" as defined in GASB No. 14. As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units. The District's reporting entity reflects no component units.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the District as a whole. The reporting information includes all of the non-fiduciary activities of the District. The effect of inter-fund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and

contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. General revenues consist of taxes and others sources not described above.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General Fund, Pupil Activity Fund, Bond Redemption Fund, Building Fund and Capital Reserve Capital Projects Building Fund) and individual enterprise funds (Food Service Fund) are reported as separated columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items re recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated form the government-wide financial statements. Exceptions to this general rule are charges between the District's governmental and business-type activities and component units. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases net current assets and unreserved fund balance as measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

All Governmental fund types use 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 within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available if collected with 60 days after year-end.

Property and automotive ownership taxes are reported as receivables when levied and as revenues when due for collection in the following year and determined to be available.

requirements is met. A receivable is established when the related expenditures exceed revenue receipts.

Expenditures are recorded when the related fund liability is incurred with the exceptions of general obligation and capital lease debt service which is recognized when due and certain accrued sick and personal pay which are accounted for as expenditures when expected to be liquidated with expendable available financial resources.

The proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets and all liabilities associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

- **Major Governmental Funds**
  1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund. Fund balance is unassigned except for Tabor, which is restricted.
  2. Designated Purpose Grants Fund (Special Revenue Fund) – used to account for revenues and expenditures associated with federal grants.
  3. Pupil Activity (Special Revenue Fund) – used to account for the resources to be used in various student athletic and co-curricular organizations. Fund balance is assigned as it is neither restricted nor committed.
  4. Building Fund – This fund accounts for the use of bond proceeds for the construction of new K-12 school. The primary revenue is the bond proceeds.
  5. Capital Reserve Capital Projects Building Fund (Special Revenue Fund) – used to account for the resources that are restricted or committed to be used for the acquisition or construction of major building improvements. Fund balance is assigned as it is neither restricted nor committed.
  6. Bond Redemption Fund – This fund accounts for the collection of property taxes and payments of principal and interest of general obligation bonds.

- **Major Proprietary Funds – Business-type activities**
  1. Food Services Fund – this fund accounts for all financial activities associated with the District's school breakfast and lunch programs.

Cash and Cash Equivalents
Cash of some funds are pooled into common pooled accounts in order to maximize investment opportunities. An individual fund's pooled Cash and Cash Investments are available upon demand and are considered to be "cash equivalents". Negative balances incurred in pooled cash at year-end are treated as a liability of that fund.

Investments
The District's investments consist of short-term maturities with Colotrust where the carrying value approximates fair market value.

Inventories
Inventories recorded in the Food Service Fund consist of purchased food and donated commodities. Purchased inventories are stated at average cost. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt.

Capital Assets
Capital assets, which include property, vehicles and equipment, are utilized for general District operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable government or business-type activities columns in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of the government fund types are sold, the proceeds of the sale are recorded as revenues in the appropriate fund. The District does not capitalize interest on the construction of capital assets.

The monetary threshold for capitalization of assets is $3,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets. Depreciation of all capital assets used by the proprietary fund is charged as an expense against their operations. Estimate useful lives are:

Vehicles	8 years
Furniture, fixtures and equipment	5 to 20 years
Buildings and improvements	20 to 50 years

Liabilities
In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net assets. The District records long-term debt of governmental funds at the face value. The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund.

Compensated Absences
Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave of proprietary funds is recorded as expense and liability of these funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. During the current year, the District recorded no liability, as the amount is immaterial.

Fund Equity
Net Position/Fund Balances - In the government-wide financial statements and for the proprietary fund statements, net position are either shown as invested in capital assets net of related debt, with these assets essentially being nonexpendable; restricted when constraints placed on the net assets are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

Fund balance should be reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education, should be reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.
For the classification of fund and net asset balances, the District considers an expenditure to be made from the most restrictive classification first, when more than one classification is available.

Net Position
Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements in those assets. Net position is reported as restricted when there are

limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

Accounting Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgets and Budgeting Accounting
The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to April 1, the District submits to the Board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The District is authorized to transfer budgeted amounts between departments within any fund; however, the Board must approve any revisions that alter the total expenditures of any fund.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Capital Reserve Fund, Designated Purpose Grants Fund, Pupil Activity Fund, Bond Redemption Fund, Capital Reserve Capital Projects Building Fund and Enterprise (Food Service) Fund.
6. Budgets for the General Fund, Special Revenue Funds, Bond Redemption Fund, and Enterprise (Food Service) Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Note 2 - **Deposits and Investments**

Deposits
The District's investment policies are approved by the Board of Education and governed by Colorado statute. The Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds. The pool is to be maintained by another financial institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.
The District is authorized by Colorado State statutes to invest in the following:

- Obligations of the United States government and certain government agencies securities
- Certain international agency securities
- General obligation and revenue bonds of governmental entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools

- Written repurchase agreements collateralized by certain authorized securities
- Guaranteed investment contracts
- Checking with interest savings accounts

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. At year-end the District's bank balance was $3,948,771. Of the bank balance, $500,000 was covered by FDIC insurance, and $3,448,771 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA. The District's carrying balance as of June 30, 2014 was $4,022,532. The difference between the District's bank balance and carrying balance is outstanding checks. Restricted cash with fiscal agents of $3,192,124 have been restricted in the financial statements.

Investments

The District had invested $615,982 (fair value) in the Colorado Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. Colotrust operates similarly to a money market fund and each share is equal in value to $1.00. The Colorado Division of Securities administers and enforces the requirements of creating and operating Colotrust. Colotrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. Colotrust is rated AAAm by Standard and Poor's. Investments of Colotrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Interest Rate Risk – State statutes limits investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk – State law limits investments to those with specified ratings, as provided by nationally recognized statistical rating organizations, depending on the investment type.

Note 3 - **Property Tax**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 15 and are payable in full by April 30 or in two equal installments due February 28 and June 15 of the following year. Elbert County Treasurer bills and collects the District's property tax. District property tax revenues are accounted for in the General Fund. Property taxes at the fund level are recorded as receivable and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

Note 4 - **Capital Assets**

A summary of changes in capital assets follows:

Governmental Activities

	Balance July 1,2013	Additions	Deletions	Balance June 30,2014
Non-depreciable assets:				
Land	$ 327,008	$ 8,207	$ -	$ 335,215
Construction in Prog.	50,293	17,485,789	13,353	17,522,729
Total Non-depreciable	$ 377,301	$ 17,493,996	$ 13,353	$ 17,857,944

	Balance July 1,2013	Additions	Deletions	Balance June 30,2014
Depreciable Assets:				
Buildings & Sites	$ 2 ,984,568	$ -	$ -	$ 2,984,568
Equipment Furniture And Fixtures	1,177,245	-	-	1,177,245
Vehicles	527,880	-	-	527,880
Total Depreciable Assets	$ 4,689,693	$ -	$ -	$ 4,689,693
Less accumulated depreciation for:				
Buildings & Sites	$ (2,260,721)	$ (119,107)	$ -	$ (2,379,828)
Equipment Furniture And Fixtures	(1,095,989)	(24,118)	-	(1,120,107)
Vehicles	(495,145)	(11,263)	-	(506,408)
Total Accumulated Depreciation	$ (3,851,855)	$ (154,488)	$ -	$ (4,006,343)
Total Capital Assets, Net	$ 1,215,139	$ 17,339,508	$ 13,353	$ 18,541,294

Business-type Activities

A summary of Changes in Food Services Fund capital assets is as follows:

	Balance July 1,2013	Additions	Deletions	Balance June 30,2014
Food Service Fund				
Equipment	$ 148,667	$ -	$ -	$ 148,667
Accum. Depreciation	(121,673)	(4,541)	-	(126,214)
Total	$ 26,994	$ (4,541)	$ -	$ 22,454

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

Governmental activities:	
Regular instruction	$ 154,488
Business-type activities:	
Food services	$ 4,541

Note 5 - **Long Term Debt**

Following is a summary of long-term debt transactions for the year ended June 30, 2014:

Governmental Activities	Balances 7/01/2013	Additions	Deletions	Balances 6/30/2014
Matching Money Bonds	$ 2,874,635	$ -	$ 108,039	$ 2,766,596
Capital Leases	21,319	-	19,624	-
Total	$ 2,895,954	$ -	$ 127,663	$ 2,766,596

Total amount of matching money bonds due within one year is $110,087.

In November of 2012, the District authorized issuance of its General Obligation Bond Series 2012 (Matching Money Bonds) to the State of Colorado in the aggregate principal amount of $ 2,874,635. Interest payments are due semi-annually on June 1 and December 1, commencing on June 1, 2013 at a rate of 3.0059%. Principal payments are due annually on December 1, with a final payment due on December 1, 2032.

Fiscal Year Ended June 30,	Principal	Interest	Total
2015	$ 110,087	$ 81,507	$ 191,594
2016	113,396	78,148	191,544
2017	116,804	74,688	191,492
2018	120,315	71,125	191,440
2019	123,932	67,453	191,385
2020	127,657	63,672	191,329
2021	131,494	59,777	191,271
2022	135,447	55,765	191,212
2023	139,518	51,632	191,150
2024-2028	763,077	191,693	954,770
2029-2032	884,869	68,069	952,938
Total	$2,766,596	$ 863,529	$3,630,125

The District entered into a capital lease agreement with Dell Financial Services for the acquisition of computer equipment. The agreement requires annual lease payments of $22,578 beginning in July of 2011 and ending in July 2013.

Note 6 - **Defined Benefit Pension Plan**

Plan Description. The Elbert County School District No. 200 contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). SDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of Elbert County School District No. 200 are members of the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for SDTF. That report may be obtained by writing to PERA of Colorado, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA's InfoLine at 1-800-759-PERA (7372) or Denver metro area 303-832-9550.

Funding Policy. Plan members and the Elbert County School District No. 200 are required to contribute at a rate set by statute. The contribution requirements of plan members and the Elbert County School District No. 200 are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate of members is 8.0% of covered salaries. The District's contribution rate for calendar years 2014, 2013and 2012 was 17.45%, 16.55% and 15.65% of covered salaries, respectively. A portion of the Elbert County School District No. 200's contribution (1.02% of covered salary) is allocated for the Health Care Fund (see note 7). The Elbert County School District No. 200,s contributions to SDTF for the years ending June 30, 2014, 2013 and 2012 were $233,264, $232,922 and $228,3223 respectively, equal to their required contributions for each year.

Note 7 - **Post-employment Healthcare Benefits**

Plan Description. The Elbert County School District No. 200 contributes to the Health Care Fund (HCF), a cost sharing multiple employer post-employment healthcare plan administered by the PERA. The HCF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for HCF. That report may be obtained by writing to PERA of Colorado, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA's InfoLine at 1-800-759-PERA (7372) or Denver metro area 303-832-9550.

Funding Policy. The Elbert County School District No. 200 is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Elbert County School District No. 200 are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the health care fund is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The Elbert County School District No. 200's contributions to HCF for the years ending June 30, 2014, 2013 and 2012 were $13,996, $14,756 and $15,321 respectively, equal to their required contributions for each year.

Note 8 - **Defined Contribution Pension Plan**

Plan Description. The (CSSDTF) members of the Elbert County School District No. 200 may voluntarily contribute to the Voluntary Investment Program 401(k) Plan, an

Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature.

Funding Policy. The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS ($17,500 in 2013 and $17,500 in 2014). Beginning January 1, 2001, an employer match was legislated, which would match 100% of a member's eligible tax deferred retirement program contributions limited by 3.0% in 2002, 2.0% in 2003 and 1.0% in 2004 per payroll of the PERA-includable salary. Effective July 1, 2004, the State Legislature rescinded the matchmaking provision of this plan. The 401(k) Plan member contributions from the District for the year ended June 30, 2014 were $ 35,964. There were no employer contributions to the 401(k) Plan from the District for the year ended June 30, 2014.

Note 9 - **Joint Ventures**

The District participates in with the Pikes Peak Board of Cooperative Educational Services (BOCES). The District has one member on the Board, which is selected by participating districts. This Board has final authority for all budgeting and financing of the joint venture. The District's June 30, 2014 contribution amounted to $37,661.

The District's share of annual contributions to the joint venture was approximately 8% for the year ended June 30, 2014.

Complete financial statements for BOCES can be obtained at their administrative offices at 2883 South Circle Drive, Colorado Springs, Colorado 80906.

Note 10 - **Auditor's Integrity Report**

The Colorado Department of Education requires the inclusion of the Auditor's Integrity Report as a supplemental schedule to the audited financial statements. The Report is based on a prescribed basis of accounting that demonstrates compliance with the financial policies and procedures of the Colorado Department of Education.

Note 11- **Risk Management**

The District participates in Colorado School District Self-Insurance Pool. The pool is a separate legal entity established by the member school districts pursuant to the provisions of Colorado Revised Statute and the Colorado Constitution. In 1985, the District Board approved a resolution that authorized the District to participate in the pool. The District has participated each year since then.

It is the intent of the members of the Pool to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of the Pool against stated liability or loss to the limit of the financial resources of the Pool.
It is also the intent of the members to have the Pool provide continuing stability and availability of needed coverage at reasonable cost. All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its members.

The Pool is a separate legal entity and the District does not approve budgets nor does it have the ability to significantly affect the operations of the unit.

The District is exposed to various risks of loss related to torts, thefts of damage to, or destruction of assets; errors or omissions; injuries to volunteers; or acts of God. The District maintains commercial insurance coverage for general liability, workers compensation, property, vehicle damage and liability, umbrella, management liability and public official bond. The District did not have any claim settlements in excess of coverage for the last three years. Complete financial statements for the Pool can be obtained at their offices.

Note 12 - **Accrued Teachers' Salaries and Employee Benefits**

Teacher contracts are for a nine or ten-month period; but are paid in twelve equal payments. At the end of the fiscal year an accrual exists for the difference between the amounts due on the contract and the amounts paid.

Note 13 - **Interfund Transactions**

The following identifies amounts due to the Pupil Activity Fund at June 30, 2014:

Fund	Due To	Due From
Pupil Activity Fund	$ 19,462	
Building Fund		$ 19,462

Due To/Due From other funds are recorded at the fund level and are eliminated at the government-wide level. During the year District's General Fund transferred $43,250 to the Food Service Fund and $25,000 to the Capital Reserve Projects Fund.

Note 14 - **Expenditures in excess of appropriations**

The District overspent its budget in the Food Service Fund and Bond Redemption Fund.

Note 15 - **Commitments and Contingencies**

Claims and Judgments - The District participates in a number of federal and state programs that are fully or partially funded by grants received from other government entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At June 30, 2014, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Tabor Amendment - In November 1992, the voters of Colorado approved Amendment I, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments, including school districts. The District's financial activity provides the basis for calculation of future limitations adjusted for allowable increases tied to inflation and enrollment growth. Subsequent to 1992, revenues in excess of the District's "spending limit" must be refunded unless voters approve the retainage of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases, and new debt.

On November 6, 2001, the voters of the district approved a referendum for Elbert County School District No. 200. The voters authorized the district to collect, retain and

expend all revenues and other funds collected during 2002 and each subsequent year from any source notwithstanding the limitations of Article X, section 20 of the Colorado constitution, effective January 1, 2002, provided however, that no property tax mill levy shall be increased at any time nor shall any new tax be imposed without the prior approval of the voters of Elbert County School District No. 200.

The Tabor Amendment requires the District to establish a reserve for emergencies. At June 30, 2014, the District's reserve of $75,000 was recorded as a reservation of Government Activities Net Position.

Note 16- **Evaluation of Subsequent Events**

The District's management has evaluated subsequent events through November 28, 2014 (the date of the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

REQUIRED

SUPPLEMENTARY

INFORMATION

Elbert County School District No. 200
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
Revenues				
Local sources				
Property taxes	$ 342,748	$ 342,748	$ 361,279	$ 18,531
Specific ownership taxes	50,707	50,707	90,784	40,077
Delinquent taxes and interest	2,000	2,000	1,741	(259)
Tuition	12,000	12,000	1,612	(10,388)
Other local sources	25,000	25,000	58,799	33,799
Interest on investments	1,500	1,500	856	(644)
Total local sources	433,955	433,955	515,071	81,116
State sources				
State equalization	1,815,270	1,815,270	1,784,544	(30,726)
Transportation	22,000	22,000	22,207	207
Other state sources	-	-	7,208	7,208
Total state sources	1,837,270	1,837,270	1,813,959	(23,311)
Federal sources				
Other federal sources	-	-	107	107
Total federal sources	-	-	107	107
Total revenues	2,271,225	2,271,225	2,329,137	57,912
Expenditures				
Instruction and supporting services				
Regular instruction	1,189,225	1,189,225	1,071,175	118,050
Cocurricular activities	126,754	126,754	123,121	3,633
Student services	36,474	36,474	37,234	(760)
Instructional staff	109,507	109,507	114,949	(5,442)
General administration	132,185	132,185	105,542	26,643
School administration	200,975	200,975	224,454	(23,479)
Support services - business	62,862	62,862	62,968	(106)
Operations and maintenance	227,097	227,097	212,154	14,943
Student transportation	149,527	149,527	139,307	10,220
Support services - central	33,187	33,187	35,805	(2,618)
Pikes Peak BOCES	45,000	45,000	37,661	7,339
District-wide facilities acquisitions	-	-	-	-
Contingency	253,432	253,432	-	253,432
Total instruction and supporting services	2,566,225	2,566,225	2,164,370	401,855
Excess(deficiency) of revenues over expenditures	(295,000)	(295,000)	164,767	459,767
Other financing sources (uses)				
Transfer in	-	-	-	-
Transfer out	(55,000)	(55,000)	(68,250)	(13,250)
Total other financing sources (uses)	(55,000)	(55,000)	(68,250)	(13,250)
Excess (deficiency) of revenues over expenditures and other sources (uses)	(350,000)	(350,000)	96,517	446,517
Fund balances at beginning of year	350,000	350,000	1,003,148	653,148
Fund balances at end of year	$ -	$ -	$ 1,099,665	$ 1,099,665

See the accompanying independent auditors' report

Elbert County School District No. 200
Designated Purpose Grants Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Federal sources				
REAP grant	$ 21,000	$ 21,000	$ 20,895	$ (105)
Title I grant	21,597	21,597	21,615	18
Title II grant	2,615	2,615	2,702	87
Total federal sources	45,212	45,212	45,212	-
Expenditures				
Instruction and supporting services				
Regular instruction	45,212	45,212	45,212	-
Supporting services	-	-	-	-
Total instructional and supporting services	45,212	45,212	45,212	-
Excess(deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfer out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	$ -	$ -	$ -	$ -

See the accompanying independent auditors' report

Elbert County School District No. 200
Pupil Activity Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local sources				
Student activities	$ 140,000	$ 140,000	$ 56,868	$ (83,132)
Interest on investments	200	200	43	(157)
Total local sources	140,200	140,200	56,911	(83,289)
Expenditures				
Current:				
Cocurricular activities	135,000	135,000	50,670	84,330
District-wide	-	-	-	-
Contingency	15,000	15,000	-	15,000
Total expenditures	150,000	150,000	50,670	99,330
Excess(deficiency) of revenues over expenditures	(9,800)	(9,800)	6,241	16,041
Other financing sources (uses)				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	(9,800)	(9,800)	6,241	16,041
Fund balances at beginning of year	9,800	9,800	54,731	44,931
Fund balances at end of year	$ -	$ -	$ 60,972	$ 60,972

See the accompanying independent auditors' report

OTHER SUPPLEMENTARY INFORMATION

Elbert County School District No. 200
Building Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
State sources				
Grant revenue - BEST	$ 16,689,274	$ 16,689,274	$ 15,960,078	$ (729,196)
Interest on investments	-	-	-	-
Total local sources	16,689,274	16,689,274	15,960,078	(729,196)
Expenditures				
Current:				
Supporting services	-	-	-	-
District-wide facility acquisitions	16,689,274	16,689,274	16,142,589	546,685
Contingency	-	-	-	-
Total expenditures	16,689,274	16,689,274	16,142,589	546,685
Excess(deficiency) of revenues over expenditures	-	-	(182,511)	(182,511)
Other financing sources (uses)				
Proceeds from issuance of bonds & COP	-	-	-	-
Transfer in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	-	-	(182,511)	(182,511)
Fund balances at beginning of year	-	-	3,374,635	3,374,635
Fund balances at end of year	$ -	$ -	$ 3,192,124	$ 3,192,124

See the accompanying independent auditors' report

Elbert County School District No. 200
Capital Reserve Capital Projects Fund - Building Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local sources				
Other local sources	$ -	$ -	$ 13,353	$ 13,353
Interest on investments	500	500	30	(470)
Total local sources	500	500	13,383	12,883
Expenditures				
Current:				
Supporting services	-	-	-	-
District-wide facility acquisitions	27,500	27,500	15,726	11,774
Debt service	-	-	21,697	(21,697)
Contingency	50,000	50,000	-	50,000
Total expenditures	77,500	77,500	37,423	40,077
Excess(deficiency) of revenues over expenditures	(77,000)	(77,000)	(24,040)	52,960
Other financing sources (uses)				
Proceeds from issuance of bonds	-	-	-	-
Transfer in	25,000	25,000	25,000	-
Transfer (out)	-	-	-	-
Total other financing sources (uses)	25,000	25,000	25,000	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	(52,000)	(52,000)	960	52,960
Fund balances at beginning of year	52,000	52,000	33,384	(18,616)
Fund balances at end of year	$ -	$ -	$ 34,344	$ 34,344

See the accompanying independent auditors' report

Elbert County School District No. 200
Bond Redemption Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local sources				
Property taxes	$ 143,712	$ 143,712	$ 202,738	$ 59,026
Interest on investments	-	-	114	114
Total local sources	143,712	143,712	202,852	59,140
Expenditures				
Current:				
Supporting services	-	-	750	(750)
Debt service				
Principal	108,039	108,039	108,039	-
Interest	35,673	35,673	84,785	(49,112)
Contingency	-	-	-	-
Total expenditures	143,712	143,712	193,574	(49,862)
Excess(deficiency) of revenues over expenditures	-	-	9,278	9,278
Other financing sources (uses)				
Proceeds from issuance of bonds	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	-	-	9,278	9,278
Fund balances at beginning of year	-	-	145,456	145,456
Fund balances at end of year	$ -	$ -	$ 154,734	$ 154,734

See the accompanying independent auditors' report

Elbert County School District No. 200
Statement of Revenues, Expenses and Changes in Fund Net Position (Budget and Actual)
Proprietary Fund - Food Service Fund
Fiscal Year Ended June 30, 2014

	Original and Final Budget	Food Service Fund Actual	Variance with Final Budget Positive (Negative)
Operating Revenues			
Food sales-charges for services	$ 25,500	$ 26,773	$ 1,273
Other local sources	12,675	-	(12,675)
Total operating revenues	38,175	26,773	(11,402)
Operating Expenses			
Purchased food	25,000	23,931	1,069
USDA commodities	3,683	4,516	(833)
Salaries and benefits	55,980	57,129	(1,149)
Purchased services	800	32	768
Supplies	1,500	1,460	40
Depreciation	4,549	4,541	8
Contingency	-	-	-
Total operating expenses	91,512	91,609	(97)
Income (loss) from operations	(53,337)	(64,836)	(11,499)
Non-operating revenues (expenses):			
USDA commodities	3,683	4,779	1,096
National breakfast and lunch program	15,000	16,788	1,788
State sources	840	542	(298)
Interest income	10	6	(4)
Total non-operating revenues (expenses)	19,533	22,115	2,582
Income (loss) before transfers	(33,804)	(42,721)	(8,917)
Transfers from general fund	30,000	43,250	13,250
Change in net position	(3,804)	529	4,333
Total net position at beginning of year	3,804	30,312	26,508
Total net position at end of year	$ -	$ 30,841	$ 30,841

See the accompanying independent auditors' report

COLORADO DEPARTMENT OF EDUCATION

AUDITOR'S INTEGRITY REPORT

Colorado Department of Education

Auditors Integrity Report

District: 0950 - ELBERT 200
Fiscal Year 2013-14
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number		Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources -	0001-0999 Total Expenditures & Other Uses =	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental					
10	General Fund	1,003,148	2,260,887	2,164,371	1,099,665
18	Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19	Colorado Preschool Program Fund	0	0	0	0
Sub- Total		1,003,148	2,260,887	2,164,371	1,099,665
11	Charter School Fund	0	0	0	0
20,26-29	Special Revenue Fund	0	0	0	0
21	Capital Reserve Spec Revenue Fund	0	0	0	0
22	Govt Designated-Purpose Grants Fund	0	45,212	45,212	0
23	Pupil Activity Special Revenue Fund	54,731	56,911	50,670	60,972
24	Full Day Kindergarten Mill Levy Override	0	0	0	0
25	Transportation Fund	0	0	0	0
31	Bond Redemption Fund	145,456	202,852	193,574	154,734
39	Non-Voter Approved Debt Service Fund	0	0	0	0
41	Building Fund	3,374,635	15,960,078	16,142,589	3,192,124
42	Special Building Fund	0	0	0	0
43	Capital Reserve Capital Projects Fund	33,384	38,383	37,423	34,344
Totals		4,611,355	18,564,323	18,633,839	4,541,839
Proprietary					
51	Food Service Fund	30,312	92,138	91,609	30,841
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		30,312	92,138	91,609	30,841
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	0	0	0	0
79	GASB 34 Permanent Fund	0	0	0	0
85	Foundations	0	0	0	0
Totals		0	0	0	0

FINAL

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