



# Comprehensive Annual Financial Report

Year Ended June 30, 2014



Thompson School District R2-J  
[www.thompsonschoools.org](http://www.thompsonschoools.org)

Empower to Learn  
Challenge to Achieve  
Inspire to Excel

# **THOMPSON SCHOOL DISTRICT R2-J**

Loveland, Berthoud, & Fort Collins Colorado

## **Comprehensive Annual Financial Report**

**For the Year Ended  
June 30, 2014**

Prepared by the  
Financial Services Department

Chief Financial Officer  
Stephen Towne

Manager of Accounting and Reporting  
Luke Gonzales

**Thompson School District R2-J  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2014**

TABLE OF CONTENTS

**Introductory Section**

Letter of Transmittal.....	i
GFOA Certificate of Achievement.....	vi
ASBO Certificate of Excellence.....	vii
Organizational Chart .....	viii
Board of Education and Superintendent’s Executive Staff .....	ix

**Financial Section**

Independent Auditors’ Report .....	1-2
Management’s Discussion and Analysis .....	3-14

**Basic Financial Statements**

Government-wide Financial Statements	
Statement of Net Position.....	15
Statement of Activities .....	16-17
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	18
Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position.....	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	20
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the Statement of Activities .....	21
Statement of Net Position – Proprietary Fund.....	22
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund.....	23
Statement of Cash Flows – Proprietary Fund.....	24
Statement of Fiduciary Assets and Liabilities .....	25
Notes to Financial Statements .....	26-43

**Required Supplementary Information**

General Fund .....	45
Budgetary Comparison Schedule .....	46-47
Government Designated-Purpose Grants Fund .....	48
Budgetary Comparison Schedule .....	49
Notes to Required Supplementary Information.....	50
<b>Combining and Individual Fund Financial Statements and Schedules</b> .....	51
Debt Service .....	52
Bond Redemption Fund Budgetary Comparison Schedule.....	53

**Thompson School District R2-J  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2014**

TABLE OF CONTENTS

Capital Projects	54
Building Fund Budgetary Comparison Schedule.....	55
Non-Major Governmental Funds	56
Combining Balance Sheet .....	58
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	59
Land Reserve Fund Budgetary Comparison Schedule.....	60
Fee Supported Programs Fund Budgetary Comparison Schedule.....	61
Capital Projects Fund Budgetary Comparison Schedule.....	62
Enterprise Fund	64
Nutrition Services Fund Budgetary Comparison Schedule.....	65
Fiduciary Fund Type	66
Combining Statement of Fiduciary Net Position .....	67
Combining Statement of Changes in Assets and Liabilities .....	68
Education Memorial Fund Budgetary Comparison Schedule .....	69
Interscholastic Athletic and Activity Budgetary Comparison Schedule.....	70
Component Units	71
Combining Statement of Net Position.....	72
Combining Statement of Activities .....	73
<b>Statistical Section</b>	
Financial Trends	
Schedule of Net Position .....	74-75
Schedule of Changes in Net Position .....	76-79
Schedule of Fund Balances, Governmental Funds.....	80-81
Schedule of Changes in Fund Balances, Governmental Funds .....	82-83
Revenue Capacity Information	
Assessed Value and Estimated Value of Taxable Property.....	84-85
Property Tax Rates – Direct and Overlapping Governments .....	86
Principal Taxpayers .....	87
Property Tax Levies and Collections .....	88
Debt Capacity Information	
Ratios of Outstanding Debt by Type .....	89
Ratio of Gross General Bonded Debt to Assessed Value and Gross Bonded Debt per Capita.....	90
Computation of Direct and Overlapping Bonded Debt.....	91
Computation of Legal Debt Margin .....	92

**Thompson School District R2-J  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2014**

TABLE OF CONTENTS

Demographic and Economic Information	
Principal Employers .....	93
Demographic and Economic Statistics.....	94
Operating Information	
Number of Employees by Function.....	95
Operating Indicators .....	96
School Building Information.....	98-99
<b>Compliance Section</b>	
Independent Auditors’ Report on Internal Control over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	100-101
Independent Auditors’ Report on Compliance for Each Major Federal Program, Internal Control Over Compliance, and the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133.....	102-103
Schedule of Findings and Questioned Costs .....	104
Schedule of Expenditures of Federal Awards .....	106
Notes to Schedule of Expenditures of Federal Awards.....	107
Colorado Department of Education Auditors Integrity Report .....	108

## **INTRODUCTORY SECTION**

Contents:

- Letter of Transmittal
- GFOA Certificate of Achievement
- ASBO Certificate of Achievement
- District Organization Chart
- Listing of Board of Education Members
- Listing of Key Officials



December 01, 2014

**To the Board of Education, Parents, Taxpayers, and Members of the Thompson School District R2-J, Loveland and Berthoud, Colorado:**

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of Thompson School District R2-J for the year ended June 30, 2014.

State law requires that the District publish within six months of the close of each fiscal year a complete set of financial statements presented in accordance with accounting principles generally accepted in the United States of America (US GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (US GAAS), by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Thompson School District R2-J (District) for the fiscal year ended June 30, 2014.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the District's financial statements in conformity with US GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of Thompson School District financial activities have been included.

The District's financial statements have been audited by Swanhorst & Company LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with US GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's separately issued Single Audit Report.

US GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

## **Profile of the Government**

The Thompson School District is the 16th largest school district in Colorado, encompassing 362 square miles in northern Colorado. The District includes the cities of Loveland, Berthoud and the southern part of Fort Collins as well as parts of Larimer, Weld and Boulder counties.

Serving students pre-K through 12th grade, the district has 12 early childhood centers, 20 elementary schools, five middle schools, five high schools and two charter schools. The facilities range in age from 4 to 98 years old, with the average facility age being 35 years. Funded Pupil Count for the 2013-14 school year was 15,116 students with slightly lower projections for 2014-15 at 14,968.

District schools offer a number of educational options including: International Baccalaureate (IB) and pre-IB programs; a Science, Technology, Engineering & Mathematics (STEM) focus; Core Knowledge programs; the Loveland area Integrated School of the Arts (LISA), K-12; and Advanced Placement programs. Also available is the Loveland/Berthoud Enrichment Access Program (LEAP), which supports parents who choose to school their children at home or outside a public setting. The district's state assessment scores are consistently at or above state averages.

The District is the reporting entity for financial reporting purposes and is not included in any other governmental reporting entity. The financial statements of the District include all funds that are controlled by the publicly elected Board of Education. The Board of Education adopts the budget, authorizes expenditures, selects the superintendent, significantly influences operations, and is primarily accountable for fiscal matters. The District's Board is also empowered to levy a property tax on both real and personal properties located within its statutory boundaries.

The annual budget serves as the foundation of the District's financial planning and control. The District maintains extensive budgetary controls, to ensure compliance with legal requirements, Board of Education policies and District administration guidelines. The legal level of budgetary control is the fund level. The District's budget must be adopted by June 30 prior to the budget year, but may be revised for any reason no later than January 31 of the budget year. Budgets are developed and monitored for compensation costs, utilities and other fixed costs at the District level, and for discretionary (site based) spending at the department or school level.

Staffing levels are authorized for each site and are tracked monthly to insure usage within budgeted limits. On-line budget inquiry access is continuously provided to each site's administrative staff, to allow monitoring of their discretionary budgets.

Budgetary control is also maintained through the use of an encumbrance accounting system. Encumbrances outstanding at year-end lapse, but may be re-appropriated as part of the following year's budget. Unspent discretionary budgets at year-end may also be reappropriated for each school or department in the following budget year, thereby; fostering responsible spending and allowing site management to develop longer range spending plans. Schools' discretionary budgets also include a share of revenues generated from building rentals. Under state law, each school is required to involve each employee group, the Board of Education, and the District Accountability Committee in the budget development process.



Component units of the district as reported in this document include the two district charter schools. The charter's revenues from per pupil funding are included in district revenues and the transfer of those monies to the charters are considered district expenditures, even while the charters are a separate entity under the control and direction of their own respective governing boards. The District board maintains oversight responsibility. The Thompson Education Foundation is also a component unit reported here. Its funding is independent of the district with expenditures directed by its board to support education within the District.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from a broader perspective of the specific environment within which the District operates.

**Local economy.** The District has been negatively impacted by the region's loss of technology jobs in the past several years. In addition, the recent national and statewide recession has had a predictable impact on the local area as well. The District remains the largest employer in Loveland and Berthoud.

There remain seeds of optimism for new growth including the potential of bringing new business to the community through the ACE technology manufacturing park. Local retail sales opportunities remain poised for growth into the future. The intersection of Interstate 25 & US Highway 34, an area of recent significant growth and considerable future promise for the region is located within the District.

**State Funding.** Because the General Fund revenues for public schools in Colorado are predominantly determined by the School Finance Act (SFA), total revenues will normally not fluctuate significantly with stable enrollment such as the District has experienced in recent years.

School districts are also subject to the provisions of an amendment to Article X, Section 20 of the State Constitution called the TABOR Amendment (Taxpayers Bill of Rights), which limits increases in governmental revenues, taxes and spending.

Under the TABOR Amendment, school districts' annual increases to revenues or spending over the prior year are limited to the combined increase in student enrollment and inflation (measured by Denver/Boulder consumer price index). These limits apply to the combined funds of the District except those specifically excluded within the law, such as voter approved bond issues and tax increases. In November 2000, voter approval was given to the District to remove the restriction on growth in revenue effective for the fiscal year ended June 30, 2000 and beyond.

In November 2000, Colorado voters approved an amendment to the State Constitution intended to establish minimum funding levels for public schools for 2001-2002 through 2010-2011. Known as Amendment 23, this mandate established a state level financial reserve (State Education Fund) intended to pay for K-12 funding growth of inflation plus 1% annually for the 10 year time period.

Beginning in 08/09 however, a significant state and national economic downturn has negatively impacted state budget revenues and local property values, both of which fund the School Finance Act. As a result the state legislature introduced the "negative factor" into the school finance formula which has underfunded the SFA formula for five years through 2013-14. For the District, the negative factor or related rescissions, suppressed District SFA revenues by \$1.9M in 2009-10, \$10.4 M in 2010-11, \$13.4 M in 2011-12, \$17.6 M in 2012-13 and \$17.4 M in 2013-14.

Fiscal 2014-15 projects an increase to PPR (from \$6310 to \$6659) while still withholding \$15.4 M from the District via the negative factor. Though economic conditions have clearly improved in recent years school finance in Colorado is still searching for its long term sustainable footing.

In May of 2013 state legislature approved Senate Bill 213 which updates the school finance funding model effective beginning in fiscal 2015-16. The bill would return school funding in Colorado to levels that approximate the current 1994 SFA in total (but not by district) if the negative factor were eliminated. But the bill uses an updated rationale to determine what level of funding each school district would receive. The bill only becomes effective if taxpayers statewide approve a measure to increase state revenues commensurately. One such request in 2013 did not receive voter approval. If no revenue increase is approved by 2017 the bill would lapse. The outlook for school funding in Colorado remains cautionary.

### **District Response to State Funding Cuts**

Over the last several years school finance funding first declined, and then rebounded in part. Today total program dollars still fall almost \$900 million (or 13%) below statutory targets for all districts in the state without regard to the negative factor. For TSD that shortfall is more than \$15 M annually while PPR remains below the levels of 5 years ago.

Through this uncertainty and resource shortage District leadership has taken a balanced approach in responding to these fluctuations. The District has balanced expenditure control and reduction measures with student and organization needs and appropriate General Fund reserve levels.

Staff count is still below levels of 5 years ago even while the District serves more students. Reductions of all expenditure types have been implemented where doing so was prudent. On some occasions resources were redirected toward areas of greater need. Where there have been needs requiring more resources those needs have been met. Use of 1-time monies has been done thoughtfully and carefully. Six years into this season of revenue uncertainty General Fund reserve levels are actually stronger than when it began. The District continues to maintain one of the healthier reserve balances in the state.

The State Auditor's office reports annually to the legislature on the financial condition of all Colorado school districts using ratio analysis. In recent years the report has highlighted an increasing number of districts with one or more ratio concerns. The conservative financial management of TSD has kept the District's ratios sound and absent from any cautionary lists.

In addition to expense reductions and prudent use of reserves, the District requested authorization from local taxpayers for temporary (12 years) increased local funding of \$12.8 MM annually designed to mitigate on a longer term basis the impact of state funding cuts. Voters rejected that request in November 2011.

The District's current level of General Fund reserves can still provide 1-time support for underfunded student programming needs. Reserve balances however may reach a level in future years where they can no longer provide that support. Ultimately, the District will need to see a sufficient combination of state funding rebound, increased local support, and deeper expenditure reductions to completely eliminate the annual imbalance going forward.

**Cash management policies and practices.** The District's policy is to invest public funds in a manner which will provide the highest investment return with the maximum security, while meeting the cash flow demands of the District and conforming to all federal, state, and local statutes governing the investment of public funds. Accordingly, temporarily idle cash is invested during the year in the Colorado Government Liquid Assets Trust (ColoTrust), a-AAA rated investment pool.

While district expenditures tend to be fairly consistent throughout the year, its revenue cycle reflects that of local property taxes for approximately 1/3 of its School Finance Act revenues. Those property tax revenues are collected mostly during the latter part of the fiscal year. The district currently maintains sufficient internal reserves, which prevent any cash flow concerns. Longer term spending of those reserves could eventually create cash flows requiring the use of the state's interest-free loan program.

### **Awards and Acknowledgements**

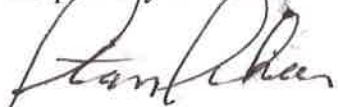
The Government Finance Officers Association's (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This was the twenty-fifth consecutive year that the government has received this prestigious award. The District also received the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting award. This was the sixteenth consecutive year that the District has received this award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized CAFR. This report satisfied both US GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Programs' requirements and we are submitting it to the GFOA and ASBO to determine its eligibility for another certificate.

The preparation and completion of this report could not have been accomplished without the direct and indirect contributions of the entire Financial Services Staff. Appreciation and recognition is also extended to our independent audit firm, Swanhorst & Company LLC, and its professional audit staff for all the assistance and advice they provide throughout the year.

We would also like to thank the Board of Education for their unfailing support for maintaining the highest standards and professionalism in the management of the District's finances.

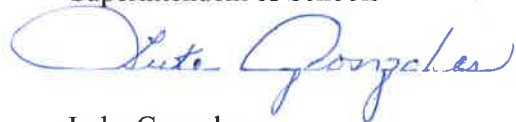
Respectfully submitted,



Dr. Stan Scheer  
Superintendent of Schools



Stephen Towne  
Chief Financial Officer



Luke Gonzales  
Manager of Accounting & Reporting



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Thompson R2-J School District  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## **Thompson R2-J School District**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



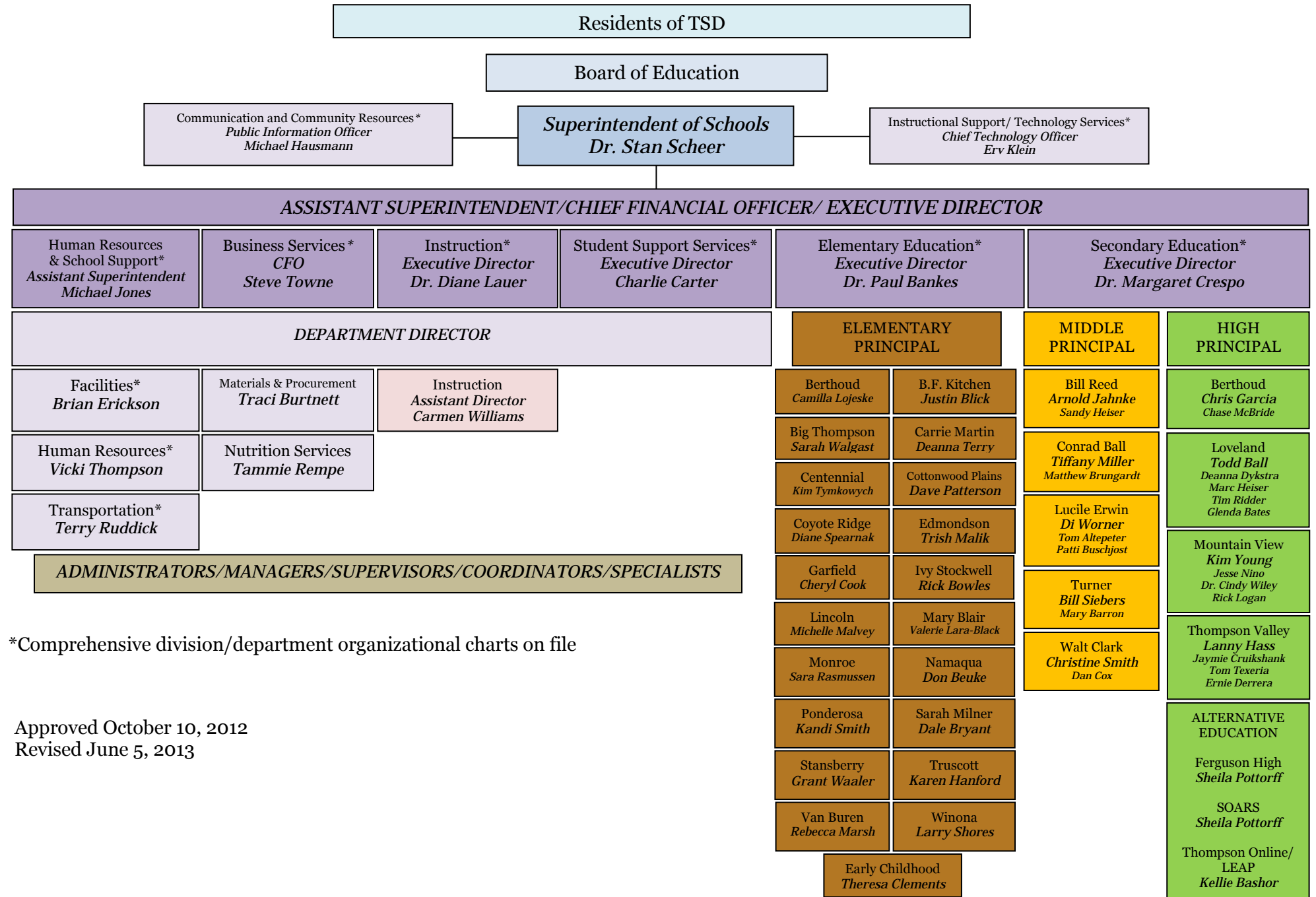
A handwritten signature in black ink, reading 'Terrie S. Simmons', written over a horizontal line.

Terrie S. Simmons, RSBA, CSBO  
President

A handwritten signature in black ink, reading 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA  
Executive Director

THOMPSON SCHOOL DISTRICT (TSD) ORGANIZATIONAL CHART



\*Comprehensive division/department organizational charts on file

Approved October 10, 2012  
Revised June 5, 2013

## **Board of Education**

Bryce Carlson, Vice President	Term Expires 2017
Pam Howard	Term Expires 2015
Bob Kerrigan, President	Term Expires 2015
Carl Langner	Term Expires 2017
Denise Montagu, Treasurer	Term Expires 2015
Donna Rice, Secretary	Term Expires 2015
Lori Hvizda Ward	Term Expires 2017

## **Superintendent's Executive Staff**

Stan Scheer	Superintendent
Michael Jones	Assistant Superintendent, HR/School Support
Dr. Margaret Crespo	Executive Director of Secondary Education
Dr. Diane Lauer	Executive Director of Instruction
Charlie Carter	Executive Director of Student Support Services
Dr. Paul Bankes	Executive Director of Elementary Education
Stephen Towne	Chief Financial Officer
Michael Hausmann	Public Information Officer
Erv Klein	Chief Technology Officer
Shana Garcia	Executive Assistant to Superintendent/BOE Secretary

## **FINANCIAL SECTION**

The Financial section may be viewed as a “reporting pyramid.” The financial statements and schedules are presented only as far down the reporting pyramid (in terms of increasing levels of detail) as necessary to (1) report fairly financial position and operating results; (2) demonstrate legal compliance; and (3) assure adequate disclosure.

The levels of the pyramid are:

### **Financial Section**

#### **Independent Auditors’ Report:**

This is the opinion of the Independent Certified Public Accountants, Swanhorst & Company LLC, on the information in the financial section. This audit is to determine that information is fairly presented, complete and in conformance with accounting principles generally accepted in the United States of America (US GAAP).

#### **Management’s Discussion and Analysis:**

The Management’s Discussion and Analysis provides a narrative introduction, overview, and analysis of the basic financial statements.

#### **Basic Financial Statements**

These statements provide an overview of the financial position of the District as a whole, focusing on major funds instead of fund types and groups. They also serve as an introduction to the more detailed statements and schedules that follow. The notes to the financial statements are an integral part of the basic financial statements and contain the “Summary of Significant Accounting Policies” and other notes necessary for adequate disclosure.

#### **Required Supplemental Information**

These statements include budgetary data for the General Fund and Major Special Revenue Funds.

#### **Combining of Non-major Funds and Individual Fund Statements**

These statements and schedules present information on the individual funds where (a) there is only one fund of a specific type or (b) sufficient detail to assure adequate disclosure is not presented in the basic statements. These statements and schedules are also used to present certain budgetary data.





Board of Education  
Thompson School District R2-J  
Loveland, Colorado

## INDEPENDENT AUDITORS' REPORT

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Thompson School District R2-J as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Thompson School District R2-J, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Thompson School District R2-J as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 14 to the financial statements, in the year ended June 30, 2014, the Thompson School District R2-J adopted new accounting guidance as required by Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

***Other Matters (Required Supplementary Information)***

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

***Other Matters (Other Information)***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Thompson School District R2-J's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, statistical section, and auditors integrity report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and the auditors 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 the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2014, on our consideration of the Thompson School District R2-J's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Thompson School District R2-J's internal control over financial reporting and compliance.

*Swanlund Company LLC*

December 1, 2014

## **Thompson School District R2-J Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2014**

As management of the Thompson School District R2-J, we offer readers of the District's financial statements this narrative overview 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**

Summary financial highlights for 2014 are as follows:

- The District's government-wide net position decreased \$3.2 million during the fiscal year ended June 30, 2014. Total revenue growth of \$5.3 million, combined with expenditure increases of \$10.7 million yielded a \$5.4 million change versus the prior year's increase in net position of \$2.2 million. The intentional decrease in net position is part of the District's near term plan to utilize excess 1-time resources for important program enhancements. The District is closely monitoring its financial position to ensure its use of 1-time resources remains appropriately targeted and balanced.
- Government-wide revenue improvements of \$5.3 million versus the prior year came predominantly from increased state revenues through the school finance act of \$3.1 million and increased operating grants and contributions of \$1.1 million.
- Government-wide expenditures increased by \$10.7 million versus the prior year as the District made significant investments in the following areas: curriculum materials update, personal learning devices pilot, literacy support, and compensation in response to market pressures and no increase the previous year. Inflationary increases included PERA (Public Employees' Retirement Association) and health insurance.
- Included within the overall net position change is a small increase of Business-Type Net Position of \$.047 million as the Nutrition Services program saw increased participation in the Free Federal School Lunch Program.

# **Thompson School District R2-J Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2014**

## **Overview of the Financial Statements**

The annual report consists of five parts.

1. Introduction - including pertinent organization profile information.
2. Management's Discussion & Analysis - including analysis of current year results & recent trends.
3. Basic Financial Statements - including government-wide and fund financials statements with associated Notes to the Financial Statements.
4. Supplementary Information - including Budget to Actual comparisons.
5. Statistical - providing broader relevant contextual information.

The *basic financial statements* include two different kinds of statements that present different views of the District.

1. Government-wide financial statements
2. Fund financial statements

## **Government-Wide Financial Statements**

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies.

1. The *statement of net position* includes all of the District's assets and liabilities.
2. The *statement of activities* reports all of the current year's revenues and expenses regardless of when cash is received or paid.

Both government-wide statements report *net position* and how it has changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health or *position*.

Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating. To assess the District's overall health one needs to consider additional non-financial factors such as enrollment trends, changes in the District's property tax base and the condition of school buildings and other facilities.

In each of the government-wide financial statements the District's activities are divided into two distinct kinds:

1. Governmental activities: Most of the District's basic services are included here such as instruction, and supporting services for example, maintenance and operations, pupil transportation and administration.
2. Business-type activities: The District charges fees to help cover the costs of certain services it provides. The District's Nutritional Services program is included here.

# **Thompson School District R2-J Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2014**

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (such as repaying long-term debt) or to show that it is properly using certain revenues (such as federal grants). The District's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

1. **Governmental Funds:** Most of the District's basic services are included in governmental funds which generally focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at year end available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a reconciling schedule follows the governmental funds statements to help explain the relationship (or differences) between them.
2. **Proprietary Funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as government-wide financial statements. The District's enterprise fund (one type of proprietary fund) is used to present the same functions as its business-type activities but provide more detail and additional information such as cash flows.
3. **Fiduciary Funds:** The District is an agent, or fiduciary, for assets that belong to others such as the education memorial and student activities funds. The District is responsible for ensuring that those to whom the assets belong use them only for their intended purposes. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

# Thompson School District R2-J Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2014

## Analysis of Government-wide Financial Statements

State equalization, property taxes, and operating grants & contributions are the District's primary revenue sources overall as shown in Chart 1 below.

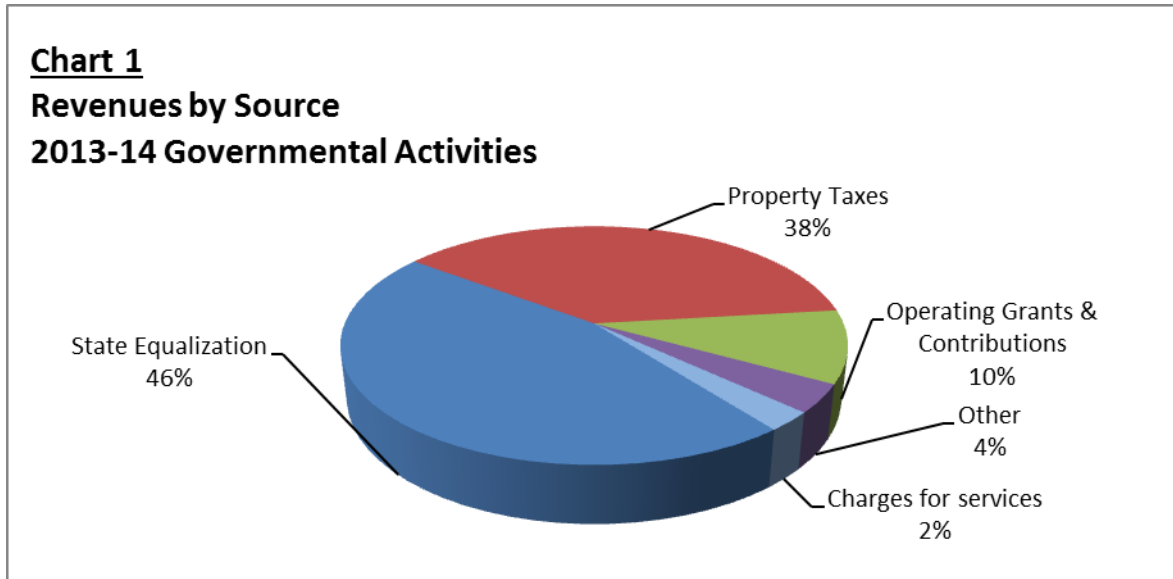
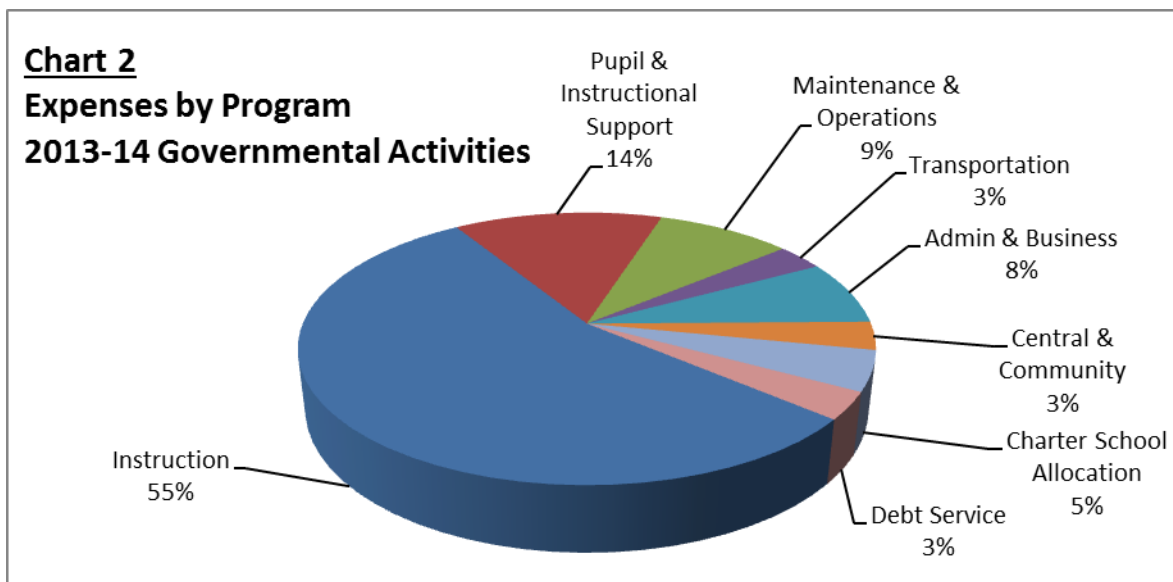


Chart 2 below presents the District's expenditures by major categories with direct instruction, and pupil and instructional support type expenditures receiving the greatest emphasis as expected.



# **Thompson School District R2-J Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2014**

## **Chart 1 – Revenues by Source: 2013-14 Governmental Activities**

- In fiscal 2013-14 the state supplied approximately two-thirds of school finance act funding for the District and statewide through equalization. These same monies are approximately 46% of the District's Governmental Activities revenues, and statewide comprise approximately 40% of the state's general fund expenditures budget. Recently, as state revenues have been impacted by the recession, school finance funding has similarly been affected. School Finance Act monies are recorded in the District's General Fund.
- Local property taxes comprise about a third of the District's School Finance Act. In addition, the District collects property taxes through two different voter approved overrides to support specified General Fund services and an additional levy is used to fund the annual principal and interest payments of the District's bonded debt. Collectively property taxes are 38% of total governmental activities revenues.
- 10% of District revenues came from operating grants in 2013-14. Most significant among them are the Federal IDEA, Title and Head Start grants.
- The District collects 2% of total revenues via fees for supplemental services or programs such as full-day kindergarten, certain elective classes, and use of district facilities.

## **Chart 2 – Expenses by Program: 2013-14 Governmental Activities**

- Classroom teacher salaries & benefits, curriculum, textbooks and instructional supplies and materials are the foundation of student instruction. They comprise the largest category of expenditures for the organization.
- The District spends another 14% of its expenditures in support of students and the staff that instruct them. Examples include counselors and instructional coaches.
- Maintenance and operation costs for the 30 different school sites and other district properties are 9% of District expenditures. Utility costs, maintenance and repairs are included here.
- Administration and business expenditures are primarily the school building principals, assistant principals, school secretaries and their related expenditures. It also includes the superintendent, board of education and staff and related expenditures to manage and oversee financial operations of the organization.
- 100% of the per pupil revenues derived from students enrolled in District charter schools are categorized as expenditures of the District when those monies flow to the charters for their expenditures.

# Thompson School District R2-J Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2014

**Table 1**  
**Condensed Statement of Net Position**  
*in millions*

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2013-2014
	2014	2013	2014	2013	2014	2013	
<b>Assets</b>							
Current & Other Assets	\$ 61.920	\$ 64.403	\$ 1.193	\$ 1.127	\$ 63.113	\$ 65.530	-3.7%
Capital Assets	153.408	159.686	0.318	0.342	153.726	160.028	-3.9%
<b>Total Assets</b>	<b>215.328</b>	<b>224.089</b>	<b>1.511</b>	<b>1.469</b>	<b>216.839</b>	<b>225.558</b>	<b>-3.9%</b>
<b>Deferred Outflows of Resources</b>							
Bond Refunding Loss, Net of Accumulated Amortization	10.976	12.143	-	-	10.976	12.143	-9.6%
<b>Liabilities</b>							
Other Liabilities	22.730	22.186	0.316	0.301	23.046	22.487	2.5%
Long-Term Liabilities	114.813	122.030	-	0.020	114.813	122.050	-5.9%
<b>Total Liabilities</b>	<b>137.543</b>	<b>144.216</b>	<b>0.316</b>	<b>0.321</b>	<b>137.859</b>	<b>144.537</b>	<b>-4.6%</b>
<b>Net Position</b>							
Net Investment in							
Capital Assets	47.441	47.613	0.318	0.342	47.759	47.955	-0.4%
Restricted	20.782	19.828	0.049	0.048	20.831	19.876	4.8%
Unrestricted	20.538	24.575	0.828	0.758	21.366	25.333	-15.7%
<b>Total Net Position</b>	<b>\$ 88.761</b>	<b>\$ 92.016</b>	<b>\$ 1.195</b>	<b>\$ 1.148</b>	<b>\$ 89.956</b>	<b>\$ 93.164</b>	<b>-3.4%</b>

The District adopted GASB 65 in 2014. Issuance costs have been restated as of June 30, 2013. Applies to Table 1 and Table 2.

**Table 2**  
**Changes in Net Position from Operating Results**  
*in millions*

	Governmental Activities		Business-Type Activities		Total School District	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 3.648	\$ 3.437	\$ 1.505	\$ 1.521	\$ 5.153	\$ 4.958
Operating Grants & Contributions	13.735	12.814	3.158	2.998	16.893	15.812
General revenues						
Property taxes	52.899	52.400	-	-	52.899	52.400
State revenue	63.794	60.660	-	-	63.794	60.660
Other	5.386	5.046	-	-	5.386	5.046
<b>Total Revenues</b>	<b>139.462</b>	<b>134.357</b>	<b>4.663</b>	<b>4.519</b>	<b>144.125</b>	<b>138.876</b>
<b>Expenses</b>						
Instruction	78.425	71.739	-	-	78.425	71.739
Pupil & Instructional Support	19.871	18.107	-	-	19.871	18.107
Administration & Business	10.863	10.358	-	-	10.863	10.358
Maintenance & Operations	12.773	11.643	-	-	12.773	11.643
Transportation	4.474	4.256	-	-	4.474	4.256
Central & Community	4.855	4.647	4.662	4.514	9.517	9.161
Interest on Long Term Debt	4.624	4.887	-	-	4.624	4.887
Charter School Allocation	6.786	6.498	-	-	6.786	6.498
<b>Total Expenses</b>	<b>142.671</b>	<b>132.135</b>	<b>4.662</b>	<b>4.514</b>	<b>147.333</b>	<b>136.649</b>
<b>Transfers</b>	<b>(0.046)</b>	<b>-</b>	<b>0.046</b>	<b>-</b>	<b>-</b>	<b>-</b>
Increase (decrease) in Net Position	(3.255)	2.222	0.047	0.005	(3.208)	2.227
Net Position - July 1	92.016	89.794	1.148	1.143	93.164	90.937
Net Position - June 30	<b>\$ 88.761</b>	<b>\$ 92.016</b>	<b>\$ 1.195</b>	<b>\$ 1.148</b>	<b>\$ 89.956</b>	<b>\$ 93.164</b>



**Thompson School District R2-J  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2014**

The condensed Statement of Net Position (Table 1 on previous page) is supported by the following additional analysis.

- The decrease in total current & other assets shown above is explained by a planned excess of expenditures over revenues for the purpose of strategic investment in student programs and associated staff in support of them.
- Total capital assets, shown net of depreciation, decreased by approximately \$6.3 million reflecting excess annual depreciation (\$7.5 million) and deletions (\$.7 million) over new investment for the year (\$1.9 million).
- The total decrease in liabilities (\$6.7 million) is primarily a result of annual debt service on the District's long-term debt.
- Business-type activities experienced a small increase to net position of \$.047 million resulting from an excess of revenues over expenditures in accordance with the planned profitability of the Nutrition Services enterprise fund.

The condensed Changes in Net Position from Operating Results (Table 2 on previous page) is supported by the following additional analysis.

- Governmental activities revenue increased by approximately \$5.1 million. This increase is primarily from state revenues via increased school finance act funding of \$3.1 million and an Operating Grants and Contributions increase of \$.9 million as well. Smaller increases in Charges for Services, Property Taxes and Other Revenues comprise the remaining \$1.1 million of increase.
- Business-type revenues increased by \$.19 million as more students participated in the Free Federal School Lunch Program.
- Expenses in total increased \$10.7 million versus the prior year as the District made significant investments in the following areas: curriculum materials update, personal learning devices pilot, literacy support, and compensation in response to market pressures and no increase the previous year. Inflationary increases included PERA and health insurance.
- District charter school enrollments increased over the previous year resulting in increased per pupil revenue allocations of \$.29 million over the previous year.

# **Thompson School District R2-J Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2014**

## **Analysis of Fund Financial Statements**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal, federal and state requirements. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. These funds are accounted for using the modified accrual basis of accounting.

### **Governmental Funds**

FY 2014 financial results show governmental fund balances in total having declined \$2.5 million from \$49.2 million to \$46.7 million by year end.

- The General Fund used \$3.5 million in reserves for strategic investments in the following areas: curriculum materials update, personal learning devices pilot, literacy support, and compensation in response to market pressures and no increase the previous year. Inflationary increases included PERA and health insurance. Charter allocations increased by \$.29 million versus the prior year.
- Grants Fund reserves grew \$.38 million to \$1.35 million. The largest remaining balances are Colorado Integration Project (\$.42 million) Early Childhood SPED (\$.19 million) Medicaid (\$.19 million) and READ Act (\$.10 million) monies.
- The Bond Redemption Fund increased reserves \$.26 million simply as a function of normal adherence to the debt service schedules and collections for the next year.
- The Building Fund, recipient of bond sale proceeds in 2005, has been steadily spending down these proceeds on District capital needs in accordance with legal guidelines. In FY 2014, the remaining \$.10 million in fund balance was expended.
- All other governmental funds reserves increased by \$.49 million in total.

### **Proprietary Fund**

The District's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in greater detail. Unrestricted net position in the Nutrition Services Fund was approximately \$.828 million at June 30, 2014. The slight increase in overall net position for the year (\$1.195 million from \$1.148 million) was the result a small operating profit for the year and capital contributions of \$.046 million.

# **Thompson School District R2-J Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2014**

## **General Fund Budgetary Highlights**

The District began the year with a General Fund budget that included expenditures in excess of revenues by \$5.45 million. In setting budget the Board was cautious to balance reserves use with strategic expenditure reductions in response to uncertain School Finance Act revenues of recent years. A strong reserves position and conservative fiscal planning were keys to this strategy.

Mid-year, several budget changes were approved by the Board and are listed below. The combined impact of these changes was an improvement of \$40k.

Improvement of budgeted revenues by \$1.010 million is detailed below.

- School Finance revenue growth via enrollment (\$.643 million)
- Specific Ownership tax improvement (\$.272 million)
- Mill Levy Override Property Tax & other improvements (\$.095 million)

Increased expenditures budget including transfers of \$.970 million is detailed below.

- Reduction in Charter School Allocations due to actual enrollment (\$.151 million)
- Increased allocations to Preschool programs due to actual enrollment (\$.321 million)
- Increased transfer in support of Capital Reserve projects (\$.800 million)

Actual performance against budget was improved as well. Revenues exceeded the adjusted targets by \$.559 million. Key aspects of this improvement are shown below.

- Improved Property Tax Collections (\$.492 million)
- All other net revenue improvements (\$.067 million)

Actual expenditures, including transfers, were less than final budget by \$1.345 million. Key variances versus budget are shown below.

- Savings from unfilled staff FTE positions (\$.104 million)
- Savings from favorable FTE salary & benefit deviations (\$.624 million)
- Savings from operating budgets (\$.617 million).

Total net improvement of actual performance versus final budget was \$1.904 million.

**Thompson School District R2-J  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2014**

**Capital Assets**

By the end of 2014, the District had invested \$153.7 million in land, buildings, equipment and transportation vehicles, \$153.4 million of which was in governmental activities. Table 3 provides a comparison of fiscal years 2014 and 2013.

**Table 3  
Capital Assets at June 30, 2014  
(Net of Depreciation, in Millions)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2013-2014
	2014	2013	2014	2013	2014	2013	
Land	\$ 14.811	\$ 14.811	\$ -	\$ -	\$ 14.811	\$ 14.811	0.0%
Land Improvements	0.687	0.089	-	-	0.687	0.089	671.9%
Water Rights	1.291	1.291	-	-	1.291	1.291	0.0%
Construction in Progress	0.268	0.568	-	-	0.268	0.568	-52.8%
Buildings	132.752	138.835	-	-	132.752	138.835	-4.4%
Equipment	1.956	2.241	0.318	0.342	2.274	2.583	-12.0%
Transportation	1.643	1.851	-	-	1.643	1.851	-11.2%
<b>Totals</b>	<b>\$ 153.408</b>	<b>\$ 159.686</b>	<b>\$ 0.318</b>	<b>\$ 0.342</b>	<b>\$ 153.726</b>	<b>\$ 160.028</b>	<b>-3.9%</b>

Depreciation of \$7.386 million on governmental activities assets was greater than the new investments net of disposals for the year of \$1.109 million. This yields an overall decrease in net value of \$6.277 million. The net value of business-type capital assets decreased by \$.024 million, the net cost of additions (\$.046 million) less depreciation (\$.070 million) for the year. For more details see Note 4 of this report.

**Debt Administration**

At year-end, the District had \$116.9 million in bonds, certificates of participation, and capital leases payable. Of this total, \$6.4 million is due within one year.

**Table 4  
Outstanding Debt at June 30, 2014  
(in Millions)**

	Governmental Activities 2014	Governmental Activities 2013
General Obligation Bonds	\$ 114.059	\$ 120.997
Certificates of Participation	2.650	2.860
Capital Lease Obligation Payable	0.234	0.458
<b>Total</b>	<b>\$ 116.943</b>	<b>\$ 124.315</b>

Additional information on the District's long-term debt can be found in Notes 5 through 8 of this report.

# **Thompson School District R2-J Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2014**

## **Factors bearing on the District's Future**

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

- Fluctuations in student enrollment impact the primary revenue source for District General Fund operations, the School Finance Act. Enrollment has been stable for several years and is reasonably expected to remain so in the near future.
- Under state law, the District may contract with individuals and organizations for the operation of schools referred to as "charter schools," within the District. For purposes of the School Finance Act, pupils enrolled in charters within the District are included in the pupil enrollment of the District. Such charter schools are financed primarily from the associated per pupil revenues received under the School Finance Act. The District is required to pay its charters 100% of per pupil revenue for each pupil enrolled in the charter, less administrative and purchased services costs where applicable. The addition of new charter schools or expansion of existing charter schools could negatively impact the District's finances.
- The District continues to monitor national and state economic trends and their potential impact on the Colorado state budget. Funding for school districts in Colorado is approximately 40% of the State's budget and as a result state-level budget struggles can impact school districts as evidenced by the continued use of a negative factor in calculating school funding. Base funding for 2014-15 is expected to grow by inflation of 2.8% over 2013-14 levels. In addition, the negative factor will be "bought down" by \$110 million statewide over the prior year. The governor's initial budget proposal for 2015-16 includes base per pupil revenues adjusted upward for inflation estimates of 2.8% along with a 1-time add of another \$200 million statewide to reduce the negative factor.
- The Public Employees' Retirement Association (PERA) of Colorado, the pension plan that covers all District employees, will increase employer contribution rates by .9 percent per year through January 2018, culminating at 20.15%. The increase in contribution rates was enacted by the state legislature and the PERA board in order to increase pension plan funding levels in relation to actuarial calculations. The annual rate increases will be a key item in future District budget development discussions.
- Rising healthcare costs are expected to continue. The District's Joint Insurance Committee will continue to analyze, discuss and recommend all appropriate means of controlling this significant District cost.

**Thompson School District R2-J  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2014**

- The District's General Fund Budget for fiscal 2015 includes expenditures in excess of revenues by \$5.13 million. The District continues to balance prudent use of available reserves against further cost reductions in response to School Finance Act per pupil revenue uncertainties of recent years.
  
- The District has expended all of the 2005 bond issue proceeds, as accounted for in the Building Fund, at the end of fiscal 2014. The proceeds have successfully provided for significant capital projects and maintenance across the District for the last nine years. With increased General Fund pressures impacting its support for capital projects the District has begun analysis of upcoming capital project needs and potential financial strategies to meet them.

**Contacting the District's Financial Management**

This financial 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. If you have questions about this report or need additional financial information, contact the Financial Services Office, Thompson School District R2-J, 800 South Taft Ave., Loveland, Colorado 80537.

**BASIC  
FINANCIAL STATEMENTS**

**Thompson School District R2-J**  
**Statement of Net Position**  
**As of June 30, 2014**

	Primary Government		Total	Component Units
	Governmental Activities	Business-Type Activities		
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Investments	\$ 57,600,391	\$ 588,264	\$ 58,188,655	\$ 3,024,311
Restricted Cash and Cash Equivalents	-	-	-	595,008
Accounts Receivable	2,523,305	-	2,523,305	9,131
Grants Receivable	1,796,345	342,138	2,138,483	91,445
Prepaid Expense	-	-	-	512,871
Inventory	-	262,608	262,608	-
<b>Total Current Assets</b>	<u>61,920,041</u>	<u>1,193,010</u>	<u>63,113,051</u>	<u>4,232,766</u>
<b>Noncurrent Assets</b>				
Capital Assets (net of Accumulated Depreciation - where applicable):				
Land	14,810,666	-	14,810,666	400,000
Water Rights	1,291,168	-	1,291,168	-
Construction in Progress	267,623	-	267,623	-
Land Improvements	687,426	-	687,426	-
Buildings	132,752,055	-	132,752,055	2,890,751
Equipment	1,956,031	317,855	2,273,886	-
Transportation	1,643,423	-	1,643,423	-
<b>Total Noncurrent Assets</b>	<u>153,408,392</u>	<u>317,855</u>	<u>153,726,247</u>	<u>3,290,751</u>
<b>Total Assets</b>	<u>215,328,433</u>	<u>1,510,865</u>	<u>216,839,298</u>	<u>7,523,517</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Bond Refunding Loss, Net of Accumulated Amortization	10,975,881	-	10,975,881	-
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	995,907	65,387	1,061,294	91,076
Retainage Payable	5,000	-	5,000	-
Accrued Salaries and Benefits	13,086,694	154,697	13,241,391	309,972
Accrued Interest Payable	197,502	-	197,502	77,794
Unearned Revenue	-	92,480	92,480	24,291
Current Portion of Long-Term Debt	8,444,739	3,375	8,448,114	70,000
<b>Total Current Liabilities</b>	<u>22,729,842</u>	<u>315,939</u>	<u>23,045,781</u>	<u>573,133</u>
<b>Noncurrent Liabilities</b>				
Loan Payable	-	-	-	4,540,000
Bonds Payable	108,108,728	-	108,108,728	-
Certificates of Participation	2,430,000	-	2,430,000	-
Compensated Absences	151,715	-	151,715	-
Early Retirement Stipends	4,122,832	-	4,122,832	-
<b>Total Noncurrent Liabilities</b>	<u>114,813,275</u>	<u>-</u>	<u>114,813,275</u>	<u>4,540,000</u>
<b>Total Liabilities</b>	<u>137,543,117</u>	<u>315,939</u>	<u>137,859,056</u>	<u>5,113,133</u>
<b>Net Position</b>				
Net Investment in Capital Assets	47,441,252	317,855	47,759,107	(1,319,249)
Restricted for:				
Debt Service	12,982,018	-	12,982,018	412,121
TABOR	3,901,168	48,906	3,950,074	221,000
Land and Land Improvements	2,757,593	-	2,757,593	-
Grant Programs	1,084,187	-	1,084,187	-
Colorado Preschool Program	57,338	-	57,338	-
Future Lease Obligations	-	-	-	510,000
Repairs and Replacement	-	-	-	105,093
School Project Expansion	-	-	-	50,000
Unrestricted	20,537,641	828,165	21,365,806	2,431,419
<b>Total Net Position</b>	<u>\$ 88,761,197</u>	<u>\$ 1,194,926</u>	<u>\$ 89,956,123</u>	<u>\$ 2,410,384</u>



**Thompson School District R2-J  
Statement of Activities  
For the Year Ended June 30, 2014**

	<b>Program Revenues</b>		
<b>Expenses</b>	<b>Charges for Service</b>	<b>Operating Grants and Contributions</b>	
<b>Primary Government</b>			
<b>Government Activities</b>			
Instruction	\$ 78,424,559	\$ 1,973,568	\$ 10,395,995
Supporting Services			
Pupil Services	9,008,392	-	1,419,166
Instructional Staff	10,862,474	107,763	577,335
General Administration	691,508	-	-
School Administration	8,245,479	-	194,141
Business Services	1,927,179	17,319	-
Maintenance/Operations	12,772,492	-	58,354
Pupil Transportation	4,473,844	-	1,013,184
Central Supporting Services	3,718,829	1,549,602	-
Community Services	1,136,630	-	76,910
Total Support Services	52,836,827	1,674,684	3,339,090
Charter School Allocation	6,785,972	-	-
Interest on Long-term Debt	4,623,670	-	-
<b>Total Governmental Activities</b>	142,671,028	3,648,252	13,735,085
<b>Business-Type Activities</b>			
Nutritional Services	4,661,737	1,505,342	3,156,995
<b>Total Business-Type Activities</b>	4,661,737	1,505,342	3,156,995
<b>Total Primary Government</b>	147,332,765	5,153,594	16,892,080
<b>Component Units</b>			
New Vision Charter School	3,169,773	117,985	141,293
Loveland Classical Schools	4,299,836	133,240	116,183
Thompson Education Foundation	523,202	4,197	436,332
	\$ 7,992,811	\$ 255,422	\$ 693,808

**General Revenues**

Property taxes levied for:

- General Purposes
- Mill Levy Override
- Debt Services

Specific Ownership Taxes levied for:

- General Purposes
- Equalization Entitlement
- Loveland URA Distribution
- Payment in Lieu of Land Dedication
- Interest and Investment Earnings
- Charter Schools Per Pupil Revenues
- Grants and Contributions not Restricted to Specific Programs
- Capital Construction
- Miscellaneous

**Transfers**

**Total General Revenues and Transfers**

**Changes in Net Position**

Net Position - Beginning

Net Position - Ending

The accompanying notes are an integral part of this statement

**Net (Expenses) Revenues  
And Changes in Net Position**

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Component Units</u>
(66,054,996)	-	(66,054,996)	-
(7,589,226)	-	(7,589,226)	-
(10,177,376)	-	(10,177,376)	-
(691,508)	-	(691,508)	-
(8,051,338)	-	(8,051,338)	-
(1,909,860)	-	(1,909,860)	-
(12,714,138)	-	(12,714,138)	-
(3,460,660)	-	(3,460,660)	-
(2,169,227)	-	(2,169,227)	-
(1,059,720)	-	(1,059,720)	-
<u>(47,823,053)</u>	<u>-</u>	<u>(47,823,053)</u>	<u>-</u>
(6,785,972)	-	(6,785,972)	-
<u>(4,623,670)</u>	<u>-</u>	<u>(4,623,670)</u>	<u>-</u>
<u>(125,287,691)</u>	<u>-</u>	<u>(125,287,691)</u>	<u>-</u>
-	600	600	-
-	600	600	-
<u>(125,287,691)</u>	<u>600</u>	<u>(125,287,091)</u>	<u>-</u>
-	-	-	(2,910,495)
-	-	-	(4,050,413)
-	-	-	<u>(82,673)</u>
-	-	-	<u>(7,043,581)</u>
29,370,651	-	29,370,651	-
13,100,533	-	13,100,533	-
10,427,594	-	10,427,594	-
4,428,291	-	4,428,291	-
63,794,200	-	63,794,200	-
207,316	-	207,316	-
605,155	-	605,155	-
113,478	322	113,800	95,811
-	-	-	6,785,972
-	-	-	274,671
-	-	-	102,097
31,752	-	31,752	4,139
<u>(46,310)</u>	<u>46,310</u>	<u>-</u>	<u>-</u>
<u>122,032,661</u>	<u>46,632</u>	<u>122,079,293</u>	<u>7,262,690</u>
(3,255,030)	47,232	(3,207,798)	219,109
<u>92,016,227</u>	<u>1,147,694</u>	<u>93,163,921</u>	<u>2,191,275</u>
<u>\$ 88,761,197</u>	<u>\$ 1,194,926</u>	<u>\$ 89,956,123</u>	<u>\$ 2,410,384</u>

**Thompson School District R2-J**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2014**

	<b>General</b>	<b>Government Designated- Purpose Grants</b>	<b>Bond Redemption</b>	<b>Building</b>
<b>ASSETS</b>				
Cash and Investments	\$ 37,699,763	\$ 729,398	\$ 12,464,939	\$ -
Accounts Receivable	2,022,025	5,051	370,001	75,648
Grants Receivable	86,452	1,709,893	-	-
<b>Total Assets</b>	<b>\$ 39,808,240</b>	<b>\$ 2,444,342</b>	<b>\$ 12,834,940</b>	<b>\$ 75,648</b>
<b>Liabilities</b>				
Accounts Payable	\$ 761,732	\$ 57,451	\$ -	\$ 75,648
Retainage Payable	-	-	-	-
Accrued Salaries and Benefits	11,827,787	1,039,301	-	-
<b>Total Liabilities</b>	<b>12,589,519</b>	<b>1,096,752</b>	<b>-</b>	<b>75,648</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	903,297	-	223,884	-
<b>Fund Balances</b>				
Restricted for:				
TABOR	3,806,828	76,123	-	-
Debt Services	-	-	12,611,056	-
Land & Land Improvements	-	-	-	-
Grant Programs	-	1,084,187	-	-
Preschool	57,338	-	-	-
Committed to Student Specific Programs	-	-	-	-
Assigned to Early Childhood Program	-	187,280	-	-
Assigned to Capital Projects	-	-	-	-
Unassigned	22,451,258	-	-	-
<b>Total Fund Balances</b>	<b>26,315,424</b>	<b>1,347,590</b>	<b>12,611,056</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 39,808,240</b>	<b>\$ 2,444,342</b>	<b>\$ 12,834,940</b>	<b>\$ 75,648</b>

The accompanying notes are an integral part of this statement

**Thompson School District R2-J**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**With the Statement of Net Position**  
**June 30, 2014**

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>		
\$ 6,706,291	\$ 57,600,391	Amounts reported for governmental activities in the statement of net position are different because:	
50,580	2,523,305		
<u>-</u>	<u>1,796,345</u>		
\$ <u>6,756,871</u>	\$ <u>61,920,041</u>	Total Fund Balance - Governmental Funds	\$ 46,705,259
		Capital assets used in governmental activities are not financial resources & therefore are not reported as assets in governmental funds.	
		The cost of capital assets is	264,557,993
		Accumulated depreciation is	<u>(111,149,601)</u>
\$ 101,076	\$ 995,907		153,408,392
5,000	5,000		
219,606	13,086,694		
<u>325,682</u>	<u>14,087,601</u>	Revenues that do not provide current financial resources are deferred in the governmental funds but are recognized in the government-wide financial statements. This amount represents property tax receivable not available at year-end.	1,127,181
<u>-</u>	<u>1,127,181</u>		
		Long-term liabilities and related items are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
18,217	3,901,168	Accrued Interest Payable	(197,502)
344,580	12,955,636	Bonds Payable	(101,340,000)
2,757,593	2,757,593	Loss on Bond Refundings	10,975,881
-	1,084,187	Premium on Bond Financing	(12,718,728)
-	57,338	Capital Lease Obligations	(234,293)
1,433,645	1,433,645	Certificates of Participation	(2,650,000)
-	187,280	Compensated Absences	(431,715)
1,877,154	1,877,154	Early Retirement Stipends	<u>(5,883,278)</u>
<u>-</u>	<u>22,451,258</u>		<u>(112,479,635)</u>
\$ 6,431,189	\$ 46,705,259	Total Net Position - Governmental Activities	\$ <u>88,761,197</u>
\$ <u>6,756,871</u>	\$ <u>61,920,041</u>		

**Thompson School District R2-J**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2014**

	<u>General</u>	<u>Government Designated- Purpose Grants</u>	<u>Bond Redemption</u>	<u>Building</u>
<b>Revenue</b>				
Taxes	\$ 47,174,661	\$ -	\$ 10,494,627	\$ -
Intergovernmental	70,061,954	9,212,302	-	-
Investment earnings	72,034	732	21,170	661
Loveland URA Distribution	-	-	-	207,316
Other	-	-	-	-
<b>TOTAL REVENUE</b>	<u>117,308,649</u>	<u>9,213,034</u>	<u>10,515,797</u>	<u>207,977</u>
<b>Expenditures</b>				
Current				
Instruction				
Salaries and Benefits	61,096,893	5,074,913	-	-
Purchased Services	1,591,018	81,091	-	-
Supplies and Materials	2,479,659	243,601	-	-
Equipment	1,325,652	90,603	-	-
Other Expenditures	49,254	5,596	-	-
Total Instruction	<u>66,542,476</u>	<u>5,495,804</u>	<u>-</u>	<u>-</u>
Supporting Services				
Pupil Services	7,483,743	1,498,139	-	-
Instructional Staff	8,414,572	1,923,549	-	-
General Administration	691,508	-	-	-
School Administration	7,745,914	416,138	-	-
Business Services	1,927,179	-	-	-
Maintenance/Operations	11,154,679	58,165	-	-
Pupil Transportation	3,818,224	-	-	-
Central Supporting Services	3,123,155	-	-	-
Community Services	32,630	133,559	-	-
Total Support Services	<u>44,391,604</u>	<u>4,029,550</u>	<u>-</u>	<u>-</u>
Capital Projects	-	-	-	307,808
Charter School Allocation	6,785,972	-	-	-
Debt Service - Principal	-	-	5,620,000	-
Debt Service - Interest	-	-	4,635,919	-
<b>TOTAL EXPENDITURES</b>	<u>117,720,052</u>	<u>9,525,354</u>	<u>10,255,919</u>	<u>307,808</u>
<b>Excess of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>(411,403)</u>	<u>(312,320)</u>	<u>259,878</u>	<u>(99,831)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	696,554	-	-
Transfers Out	<u>(3,092,110)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(3,092,110)</u>	<u>696,554</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(3,503,513)	384,234	259,878	(99,831)
<b>Fund Balances - Beginning of the Year</b>	<u>29,818,937</u>	<u>963,356</u>	<u>12,351,178</u>	<u>99,831</u>
<b>Fund Balances - End of the Year</b>	<u>\$ 26,315,424</u>	<u>\$ 1,347,590</u>	<u>\$ 12,611,056</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement

**Thompson School District R2-J**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures**  
**and Changes in Fund Balances with the Statement of Activities**  
**For The Year Ended June 30, 2014**

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>		
\$ -	\$ 57,669,288	Amounts reported for governmental activities in the statement of activities are different because:	
-	79,274,256	Total net change in fund balances - governmental funds	\$ (2,470,428)
18,881	113,478	Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as an annual depreciation expense in the statement of activities. This is the amount by which depreciation expense and loss on disposal exceeded capital outlay in the current year.	
-	207,316	Depreciation expense	(7,386,669)
2,545,889	2,545,889	Loss on Disposal	(5,701)
<u>2,564,770</u>	<u>139,810,227</u>	Capital Outlay	<u>1,114,941</u>
805,033	66,976,839		(6,277,429)
54,415	1,726,524	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount represents the changes in property taxes not available at year-end.	(342,218)
179,510	2,902,770	In the statement of activities, certain operating expenses - compensated absences (vacations) and special termination benefits (severance incentive) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, special termination benefits paid \$1,896,314 were less than the amounts earned (\$2,298,123) by (\$401,809). Vacation used \$731,836 was more than the amounts earned (\$700,818) by \$31,018.	(370,791)
93,834	1,510,089	Repayments of bonds are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	5,620,000
25,837	80,687	Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: amortization of bond premiums \$1,318,760, and bond refunding losses (\$1,166,743).	152,017
<u>1,158,629</u>	<u>73,196,909</u>	Repayment of Capital Lease and Certificate of Participation principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.	
26,510	9,008,392	Principal Payment of COP's	210,000
524,353	10,862,474	Principal Payment of Capital Lease	<u>223,819</u>
-	691,508		
83,427	8,245,479	Change in net position of governmental activities	\$ <u><u>(3,255,030)</u></u>
-	1,927,179		
716,933	11,929,777		
367,093	4,185,317		
51,463	3,174,618		
969,527	1,135,716		
<u>2,739,306</u>	<u>51,160,460</u>		
-	307,808		
-	6,785,972		
433,819	6,053,819		
139,768	4,775,687		
<u>4,471,522</u>	<u>142,280,655</u>		
(1,906,752)	(2,470,428)		
2,395,556	3,092,110		
-	(3,092,110)		
<u>2,395,556</u>	<u>-</u>		
488,804	(2,470,428)		
<u>5,942,385</u>	<u>49,175,687</u>		
\$ <u><u>6,431,189</u></u>	\$ <u><u>46,705,259</u></u>		

**Thompson School District R2-J**  
**Statement of Net Position**  
**Proprietary Fund**  
**June 30, 2014**

	<u><b>Nutrition Services Fund</b></u>
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 588,264
Grants Receivable	342,138
Inventory	262,608
Total current assets	<u>1,193,010</u>
Noncurrent Assets:	
Capital Assets, Net of Accumulated Depreciation	<u>317,855</u>
<b>TOTAL ASSETS</b>	<u><b>1,510,865</b></u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	65,387
Accrued Salaries and Benefits	154,697
Unearned Revenue	92,480
Current portion of Compensated Absences	<u>3,375</u>
Total Liabilities	<u>315,939</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	317,855
Restricted for TABOR	48,906
Unrestricted	<u>828,165</u>
Total Net Position	<u><b>\$ 1,194,926</b></u>

The accompanying notes are an integral part of this statement

**Thompson School District R2-J  
Statement of Revenues, Expenses, and  
Changes in Net Position  
Proprietary Fund  
For the Year Ended June 30, 2014**

	<b>Nutrition Services Fund</b>
<b>Operating Revenue</b>	
Food Sales and Catering Sales	\$ <u>1,505,342</u>
<b>TOTAL OPERATING REVENUE</b>	<u>1,505,342</u>
<b>Operating Expenses</b>	
Salaries and Benefits	2,175,421
Purchased Services	68,888
Supplies and Materials	2,339,480
Equipment	7,631
Depreciation	<u>70,317</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>4,661,737</u>
Operating Loss	<u>(3,156,395)</u>
<b>Non-Operating Revenue</b>	
Federal Aid:	
USDA Reimbursements	2,807,756
Donated Commodities	271,014
State Categorical Reimbursement	78,225
Interest Earnings	<u>322</u>
<b>TOTAL NON-OPERATING REVENUE</b>	<u>3,157,317</u>
Net Income Before Capital Contributions	922
Capital Contributions	<u>46,310</u>
Change in Net Position	47,232
<b>Net Position</b>	
Beginning of the Year	<u>1,147,694</u>
<b>Net Position</b>	
End of the Year	<u><u>\$ 1,194,926</u></u>

The accompanying notes are an integral part of this statement



**Thompson School District R2-J**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Year Ended June 30, 2014**

	<b>Nutrition Services Fund</b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 1,520,272
Cash Payments to Suppliers for Goods and Services	(2,034,581)
Cash Payments to Employees for Services	<u>(2,203,683)</u>
Net Cash Used by Operating Activities	<u>(2,717,992)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Cash Received from Federal Government	2,791,050
Cash Received from State	<u>78,225</u>
Net Cash Provided by Noncapital Financing Activities	<u>2,869,275</u>
<b>Cash Flows from Investing Activities</b>	
Interest Received	<u>322</u>
Net Decrease in Cash and Cash Equivalents	151,605
Cash and Cash Equivalents, Beginning of the Year	<u>436,659</u>
Cash and Cash Equivalents, End of the Year	<u><u>\$ 588,264</u></u>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>	
Operating Loss	\$ (3,156,395)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	70,317
USDA Commodities Food Used	271,014
Changes in Assets and Liabilities	
Decrease (Increase) in Inventory	102,653
Increase (Decrease) in Accounts Payable	7,751
Increase (Decrease) in Accrued Salaries and Benefits	(6,764)
Increase (Decrease) in Unearned Revenue	14,930
Increase (Decrease) in Compensated Absences	<u>(21,498)</u>
Net Cash Used by Operating Activities	<u><u>\$ (2,717,992)</u></u>
<b>Non-cash Investing, Capital and Financing Activities</b>	
Federal Aid:	
Donated Commodities	271,014
Capital Contributions	<u><u>\$ 46,310</u></u>

The accompanying notes are an integral part of this statement

**Thompson School District R2-J**  
**Statement of Fiduciary Assets and Liabilities**  
**As of June 30, 2014**

		<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and Investments	\$	1,322,603
Accounts Receivable		<u>3,310</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u><u>1,325,913</u></u></b>
<b>LIABILITIES</b>		
Liabilities		
Accounts Payable	\$	51,704
Accrued Salaries and Benefits		1,610
Undistributed Monies		<u>1,272,599</u>
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b><u><u>1,325,913</u></u></b>

The accompanying notes are an integral part of this statement

**Thompson School District R2-J**  
**Notes to Financial Statements**  
**June 30, 2014**

**NOTE (1) Summary of Significant Accounting Policies**

The financial statements of Thompson School District R2-J (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the District's accounting policies are described below.

**(A) Reporting Entity**

In conformance with governmental accounting and financial reporting standards, Thompson School District R2-J, Larimer County, Loveland, Colorado, is the reporting entity for financial reporting purposes. The District is the primary government financially accountable for all activities of public school instruction within the geographical area organized as Thompson School District R2-J. The District meets the criteria of a primary government: its Board of Education is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other governmental reporting entity.

The financial reporting entity consists of the District, organizations for which the District is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the District. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the District. Legally separate organizations, for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on, the District.

**Blended Component Unit:**

**Thompson School Facilities Corporation**

The Thompson School Facilities Corporation (Corporation), a Colorado not-for-profit corporation, was formed by the District solely for the purpose of acting as lessor, with the District as lessee, to finance the acquisition and/or construction of certain facilities used in District operations. The corporation has no financial activity other than debt payments included in the District's Capital Projects Fund. Therefore, the corporation is not separately presented in the financial statements. The Corporation does not publish individual component unit financial statements.

**Discrete Component Units:**

The District includes the New Vision Charter School, Loveland Classical Schools and Thompson Education Foundation, which is a nonprofit entity, (the "Entities") within its reporting entity because the Entities are fiscally dependent on the District or provide benefits exclusively to the District and their exclusion would render the District's financial statements incomplete. Since the Entities have separately elected boards, the balances and transactions of the Entities are discretely presented in the financial statements. New Vision Charter School issues separate financial statements, which can be obtained at the school, 2366 E. 1<sup>st</sup> Street, Loveland, CO 80537. Loveland Classical Schools issues separate financial statements, which can be obtained at the

**Thompson School District R2-J**  
**Notes to Financial Statements**  
**June 30, 2014**

school, 3835 14<sup>th</sup> Street Southwest, Loveland, CO 80537. Thompson Education Foundation does not issue separate financial statements.

**(B) Fund Accounting**

The District uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types.”

Governmental funds are used to account for all or most of a government’s general activities, including the collection and disbursement of restricted or committed funds (special revenue funds), and the servicing of general long-term debt (debt service funds). The following are the District’s major governmental funds:

General Fund – The General Fund is the District’s general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes, and State of Colorado equalization funding, as determined by the School Finance Act of 1994, as amended.

Expenditures include all costs associated with the daily operation of the schools, except for programs funded by grants from federal and state governments, grants from local agencies, school construction, certain capital outlay expenditures, debt service, food service operations, certain extracurricular athletic and other pupil activities.

Government Designated-Purpose Grants Fund – This fund maintains a separate accounting for programs funded by federal, state and local grants that normally have a different fiscal period than that of the District.

Bond Redemption Fund – The Bond Redemption Fund is a debt service fund. This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The fund’s primary revenue source is local property taxes levied specifically for debt service.

Building Fund – This fund accounts for the debt proceeds to be used to construct, renovate and equip capital facilities. In addition the City of Loveland is distributing revenues from its Urban Renewal Authority to construct a new school.

Proprietary Funds focus on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service.

Enterprise Funds may be used to account for any activity for which a fee is charged to external users for goods or services. The District’s only enterprise fund is:

Nutritional Services Fund – This fund accounts for the financial transactions related to the food service operations of the District.

**Thompson School District R2-J**  
**Notes to Financial Statements**  
**June 30, 2014**

Fiduciary Funds – Fiduciary fund reporting focuses on net position and changes in net position. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District has two agency funds, The Education Memorial Fund and Interscholastic Athletic and Activity Fund.

**(C) Basis of Presentation**

**Government-wide Financial Statements** – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. Interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements; therefore, include reconciliation with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

**Fund Financial Statements** – Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and

**Thompson School District R2-J**  
**Notes to Financial Statements**  
**June 30, 2014**

changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

**(D) Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

**Revenues – Exchange and Non-exchange Transactions** Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end except for Grants which is ninety days.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. State equalization monies are recognized as revenues during the period in which they are appropriated. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the district must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within 60 days after year-end, special ownership taxes collected within 30 days after year-end, interest, tuition, grants and student fees.

**Unearned Revenue** Unearned revenues arise when the District receives resources before it has a legal claim to them, as when grant moneys are received prior to meeting eligibility requirements (modified and full accrual). In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

**Deferred Inflows of Resources** Property taxes earned but not available as current financial resources are reported as deferred inflows of resources in the governmental fund financial statements.

**Expenses/Expenditures** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenses and changes in net position as an expense with a like amount reported as donated commodities revenue.

**Thompson School District R2-J**  
**Notes to Financial Statements**  
**June 30, 2014**

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Enterprise – Food Service Fund: Enterprise Funds are used to account for operations that are conducted in a manner similar to private business enterprises, i.e., where the intent of the Board of Education is that the costs (expenses, including depreciation) of providing goods and services to students, teachers, and the general public (including other school districts) on a continuing basis be financed and recovered primarily through user charges. This fund has been established to record financial transactions related to food service operations (providing breakfast and lunch to students).

**(E) Cash, Cash Equivalents and Temporary Investments**

Cash, cash equivalents, and temporary investments include cash on hand, demand deposits, certificates of deposit, repurchase agreements, money market funds and participation in local government investment pools. All cash equivalents have an original maturity date of less than three months.

Cash balances from different funds are combined and invested to the extent possible in local government investment pools. Earnings from investments are allocated to each fund based upon that fund's share of the investment. Investments are stated at fair value. The District generally holds investments until maturity.

**(F) Inventories**

Nutritional Services Fund purchased inventories are stated at cost as determined by the first-in, first-out (FIFO) method. Commodity inventories are stated at the USDA's assigned values, which approximate fair market value, at the date of receipt. Expenses for food items are recorded when used. The federal government donates surplus commodities to supplement the National School Lunch Program. Commodity contributions are recorded as non-operating revenues, and as expenses when used.

**(G) Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund financial statements.

**Thompson School District R2-J**  
**Notes to Financial Statements**  
**June 30, 2014**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five thousand dollars. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not.

All reported capital assets are depreciated with the exception of land, water rights & construction-in-progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-20 Years
Vehicles	8-15 Years	8-15 years

**(H) Accrued Salaries and Benefits**

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately ten months. The salaries and benefits earned, but unpaid, at June 30, 2014, are reflected as a liability in the accompanying financial statements.

**(I) Compensated Absences and Severance Incentive Benefit Amounts**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and the District will compensate the employees for the benefits through paid time off or payment at separation of employment. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. District policy allows employees to accumulate only unused vacation earned since the beginning of the current school year. For employees classified as administrators, twenty days of vacation may be carried over from year to year with the approval of the Superintendent of Schools.

Upon separation, all certified employees are entitled to unused sick leave at the substitute teacher daily rate. Unused sick leave is exchanged at the rate of one-half day for every day earned up to 120 days beyond the 45 accrued days, acquired prior to the end of the 1993 fiscal year. However, under the severance bonus plan, adopted in fiscal year 1993, teachers could choose a severance plan that would allow payment for all sick leave earned at one-half the substitute teacher daily rate up to a combined total of 120 days. For classified staff, unused sick leave is exchanged at the rate of one-half day for every day earned up to 120 days beyond the 40 accrued days, acquired prior to the end of the 1994 fiscal year.

During fiscal year 1993, the District initiated a severance bonus plan. Certified, classified and administrative personnel could choose from a number of options and payment plans when terminating from the District. Currently, payments under the severance plan are scheduled



**Thompson School District R2-J**  
**Notes to Financial Statements**  
**June 30, 2014**

through fiscal year 2020. The District budgets the subsequent year's available resources for severance, severance incentive and eligible accumulated leave benefits. Therefore, the entire unpaid liability for early retirement and sick leave paid upon retirement for governmental funds is reported on the government-wide financial statements. Amounts for sick leave to be paid with the severance and early retirement bonus are included in severance incentive stipends payable. The compensated absences balance is the accrual for active employees. The amounts recorded as liabilities for all compensated absences include salary-related payments associated with the payment of compensated absences, using the rates in effect at the balance sheet date.

The entire compensated absence and severance incentive liability is reported on the government-wide financial statements. In proprietary funds, the entire amount is reported as a fund liability. A liability is reported in the governmental funds only when payment is due.

**(J) Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with available resources. However, claims and judgments, the noncurrent portion of capital leases, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

**(K) Fund Balance**

In the fund financial statements, fund balance is restricted when constraints placed on the use of resources are externally imposed.

In the governmental fund financial statements, governmental funds report committed fund balances when the Board of Education commits resources for the specific purpose through passage of a resolution. Assigned fund balance is reported when the Board of Education intends to use resources for a specific purpose but without a formal action. The Board of Education through resolution has given the superintendent or their designee, the chief financial officer, the authority to assign these fund balances. The District has not established a formal policy for its use of restricted and unrestricted fund balance. However, if both restricted and unrestricted fund balances are available for a specific purpose, the District uses restricted fund balances first, followed by committed, assigned and unassigned balances.

**(L) Net Position**

Net position represents the difference between assets and liabilities. Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

**Thompson School District R2-J**  
**Notes to Financial Statements**  
**June 30, 2014**

Net position is reported as restricted when there are liabilities imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**(M) Interfund Transactions**

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as interfund transfers.

**NOTE (2) Cash and Investments**

**(A) Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2014, the District had deposits of \$5,269,844 collateralized with securities held by the financial institutions' agents, but not in the District's name.

**(B) Investments**

The District is required to comply with State statutes, which specify investment instruments meeting defined rating, maturity, custodial and concentration risk criteria in which local governments may invest, which include the following.

- Obligations of the United States and certain U.S. Agency Securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks.
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

*Interest rate risk* – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State statute generally limits investments to a maturity of five years from date of purchase, unless the Board of Education authorizes a maturity in excess of five years.

**Thompson School District R2-J**  
**Notes to Financial Statements**  
**June 30, 2014**

*Credit Risk* – State statutes limit certain investments to those with specified ratings provided by nationally recognized statistical rating organizations (NRSROs), depending on the type of investment. State statutes limit investments in commercial paper to those rated by at least two NRSRO’s, and that is not rated below A1. State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission’s Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a NRSRO.

*Concentration of Credit Risk* – Except for corporate securities, State statutes do not limit the amount the District may invest in a single issuer.

*Custodial Risk* – State statutes require the collateral securities of repurchase agreements to be held by the District’s custodian or a third-party trustee.

*Local government investment pools* – At June 30, 2014, the District had \$55,644,427 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust). The pool is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating the pool. 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, which requires each share to equal \$1. The pool is rated AAAM by Standard and Poor’s. Investments of the pool 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.

Investment Type	S&P/Morning Star Rating	Investment Maturities (In Years)			Thompson Ed. Fnd.	All		Fair Value
		Less than 1	1 - 3	3 - 9		Other Funds		
Money Market Funds	AAAm	\$ 123,907	\$ -	-	\$ 115,507	\$ 8,400	\$	123,907
Mutual Funds	5	355,671	-	-	355,671	-		355,671
Mutual Funds	4	51,535	-	-	51,535	-		51,535
Mutual Funds	3	71,420	-	-	71,420	-		71,420
Local Government Investment Pool	AAAm	55,644,427	-	-	-	55,644,427		55,644,427
Corporate Securities	AA+	25,782	-	-	25,782	-		25,782
Corporate Securities	AA	25,044	-	-	25,044	-		25,044
Corporate Securities	A+	-	-	24,966	24,966	-		24,966
Corporate Securities	A	-	26,059	107,936	133,995	-		133,995
Corporate Securities	A-	-	26,865	56,853	83,718	-		83,718
Corporate Securities	BBB	-	26,081	55,079	81,160	-		81,160
Commercial Paper	A1	336,180	-	-	-	336,180		336,180
Municipal Bonds	AAA	-	25,483	-	25,483	-		25,483
Municipal Bonds	AA	-	-	26,675	26,675	-		26,675
		\$ 56,633,966	\$ 104,488	\$ 271,509	\$ 1,020,956	\$ 55,989,007	\$	57,009,963

The Thompson Education Foundation is a nonprofit entity with its own investment policy and is not subject to state statutes.

**Thompson School District R2-J**  
**Notes to Financial Statements**  
**June 30, 2014**

The following table is a reconciliation of cash and investments on the statement of net position.

Cash on Hand	\$	1,045
Cash and Deposits		3,687,038
Investments		<u>57,009,963</u>
Total		<u>\$ 60,698,046</u>
<b>Statement of Net Position:</b>		
Primary Government Cash and Investments	\$	58,188,655
Thompson Education Foundation Cash and Investments		1,186,788
Fiduciary Funds Cash and Investments		<u>1,322,603</u>
Total		<u>\$ 60,698,046</u>

**NOTE (3) Receivables**

Property taxes attach as an enforceable lien on January 1, are certified on December 15 and are levied the following January 1. They are payable in full by April 30 or are due in two equal installments on February 28 and June 15. Larimer, Weld and Boulder Counties bill and collect property taxes for all taxing entities within each county. The property tax receipts collected by the counties are remitted to the District in the subsequent month.

Receivables at June 30, 2014 consisted of taxes, accounts, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds.

A summary of the principal items of accounts receivable follows:

<b>General Fund</b>		
Property taxes - current and delinquent		\$ 1,892,010
Accounts Receivable		<u>130,015</u>
		2,022,025
<b>Government Designated Purpose Grants Fund</b>		
Accounts Receivable – Larimer County Truancy		<u>5,051</u>
<b>Bond Redemption Fund</b>		
Property taxes - Current and Delinquent		<u>370,001</u>
<b>Building Fund</b>		
Accounts receivable – City of Loveland		<u>75,648</u>
<b>Land Reserve Fund</b>		
Accounts receivable – Developer fees in Lieu of Land		<u>47,279</u>
<b>Fee Supported Programs</b>		
Accounts receivable – Larimer County		<u>3,301</u>
Total Primary Government Receivables		<u>\$ 2,523,305</u>

**Thompson School District R2-J**  
**Notes to Financial Statements**  
**June 30, 2014**

**NOTE (4) Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Capital Assets <u>July 1, 2013</u>	Additions	Deletions / Transfers	Capital Assets <u>June 30, 2014</u>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 14,810,666	\$ -	\$ -	\$ 14,810,666
Water Rights	1,291,168	-	-	1,291,168
Construction in Progress	<u>567,524</u>	<u>418,409</u>	<u>(718,310)</u>	<u>267,623</u>
Total capital assets, not being depreciated	<u>16,669,358</u>	<u>418,409</u>	<u>(718,310)</u>	<u>16,369,457</u>
Capital assets, being depreciated:				
Land Improvements	105,198	670,297	-	775,495
Buildings	226,641,880	41,960	-	226,683,840
Equipment	9,071,688	399,402	(37,444)	9,433,646
Transportation	<u>11,428,215</u>	<u>303,183</u>	<u>(435,843)</u>	<u>11,295,555</u>
Total capital assets, being depreciated	<u>247,246,981</u>	<u>1,414,842</u>	<u>(473,287)</u>	<u>248,188,536</u>
Less accumulated depreciation for:				
Land Improvements	(15,780)	(72,289)	-	(88,069)
Buildings	(87,807,039)	(6,124,746)	-	(93,931,785)
Equipment	(6,831,142)	(680,528)	34,055	(7,477,615)
Transportation	<u>(9,576,557)</u>	<u>(509,106)</u>	<u>433,531</u>	<u>(9,652,132)</u>
Total accumulated depreciation	<u>(104,230,518)</u>	<u>(7,386,669)</u>	<u>467,586</u>	<u>(111,149,601)</u>
Total capital assets, being depreciated, net	<u>143,016,463</u>	<u>(5,971,827)</u>	<u>(5,701)</u>	<u>137,038,935</u>
Governmental Activities Capital Assets, Net	<u>\$ 159,685,821</u>	<u>\$ (5,553,418)</u>	<u>\$ (724,011)</u>	<u>\$ 153,408,392</u>
<b>Business-Type Activities</b>				
Furniture and Equipment	\$ 3,062,431	\$ 46,310	\$ -	\$ 3,108,741
Less Accumulated Depreciation	<u>(2,720,569)</u>	<u>(70,317)</u>	<u>-</u>	<u>(2,790,886)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 341,862</u>	<u>\$ (24,007)</u>	<u>\$ -</u>	<u>\$ 317,855</u>

**Thompson School District R2-J**  
**Notes to Financial Statements**  
**June 30, 2014**

Depreciation expense for the year ended June 30, 2014 was charged to the following governmental functions:

Instructional	\$ 6,386,927
Support Services	
Maintenance/Operations	170,715
Pupil Transportation	591,710
Central Supporting Services	236,403
Community Services	914
Total	<u>\$ 7,386,669</u>

**NOTE (5) General Obligation Bonds Payable**

On July 29, 2003, the District issued \$25,660,000 General Obligation Bonds to refund the Series 1996 General Obligation Bonds, originally issued for capital improvements. Interest payments are due semi-annually on June 15, and December 15. Principal payments are due annually on December 15, through 2016.

On December 20, 2005, the District issued \$89,215,000 General Obligation Bonds for capital improvements. Interest payments are due semi-annually on June 15, and December 15. Principal payments are due annually on December 15, through 2015.

On March 2012, the District issued \$84,740,000 General Obligation Refunding Bonds to refund a portion of the General Obligation Bonds, Series 2005. Interest payments are due semi-annually on June 15, and December 15. Principal payments are due annually on December 15, through 2025. Proceeds were deposited with an escrow agent to provide for all future debt service for \$84,725,000 of the General Obligation Bonds, Series 2005. Accordingly, the liability for the defeased debt has been removed from the District's financial statements. The total outstanding balance of the defeased debt at June 30, 2014, was \$84,725,000.

Table 1  
Series 2003A Refunding Bonds  
Interest Rate 2.75% to 5.25%

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 4,550,000	\$ 591,238	\$ 5,141,238
2016	4,760,000	383,862	5,143,862
2017	<u>5,045,000</u>	<u>132,431</u>	<u>5,177,431</u>
Total	<u>\$ 14,355,000</u>	<u>\$ 1,107,531</u>	<u>\$ 15,462,531</u>

**Thompson School District R2-J**  
**Notes to Financial Statements**  
**June 30, 2014**

Table 2  
Series 2005 Bonds  
Interest Rate 4.00% to 5.00%

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,300,000	\$ 98,900	\$ 1,398,900
2016	<u>1,445,000</u>	<u>36,125</u>	<u>1,481,125</u>
Total	<u>\$ 2,745,000</u>	<u>\$ 135,025</u>	<u>\$ 2,880,025</u>

Table 3  
Series 2012 Bonds  
Interest Rate 2.00% to 5.00%

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 100,000	\$ 3,705,000	\$ 3,805,000
2016	100,000	3,703,000	3,803,000
2017	1,700,000	3,689,250	5,389,250
2018	7,135,000	3,506,300	10,641,300
2019	7,605,000	3,506,300	10,641,300
2020-2024	45,775,000	9,841,106	55,616,106
2025-2026	<u>21,825,000</u>	<u>1,063,094</u>	<u>22,888,094</u>
Total	<u>\$ 84,240,000</u>	<u>\$ 28,653,725</u>	<u>\$ 112,893,725</u>

**NOTE (6) Certificates of Participation**

Certificates of Participation represent long-term lease purchase agreements for the acquisition of capital items. Certificates of Participation (COP) are not considered bonded debt of the District due to the structure of the lease and annual appropriation clause. The COPs are not considered to be a general obligation or other indebtedness of the District within the meaning of any constitutional or statutory debt limitations.

On April 22, 2004, the Thompson School Facilities Corporation issued \$4,485,000 of COPs. The 2004 COPs were issued to purchase the Thompson Learning Community, which houses the District's central administrative offices and a Community Learning Center. The COPs carry interest rates ranging from 1.85% to 4.50%. Annual lease payments will be made from the Capital Projects Fund. Principal payments are due annually on December 1, through 2023. Interest payments are due semi-annually on June 1, and December 1.

The table on the following page identifies the remaining principal and interest due on the 2004 COP issue as of June 30, 2014.

**Thompson School District R2-J**  
**Notes to Financial Statements**  
**June 30, 2014**

Table 1

Series 2004 Certificates of Participation  
Interest Rate 1.85% to 4.50%

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 220,000	\$ 109,906	\$ 329,906
2016	230,000	100,769	330,769
2017	235,000	91,351	326,351
2018	245,000	81,174	326,174
2019	255,000	70,460	325,460
2020-2024	<u>1,465,000</u>	<u>169,747</u>	<u>1,634,747</u>
Total	<u>\$ 2,650,000</u>	<u>\$ 623,407</u>	<u>\$ 3,273,407</u>

**NOTE (7) Capital Leases**

Year ended June 30,

2015	245,259
Amount Representing Interest	<u>( 10,966)</u>
Present Value of Minimum Lease Payments	<u>\$ 234,293</u>

The District has a lease with Sun Trust Leasing Corporation, which was entered into on September 15, 2002 for the original amount of \$2,233,253. Twelve annual payments of \$245,259 began on July 1, 2003 through July 1, 2014. This lease is an energy performance contract. The payments are guaranteed from annual energy savings by replacing equipment with more energy efficient units. This contract is guaranteed by Siemen Building Technologies. Payments are made from the Capital Projects Fund, based on a transfer from the General Fund energy budget. No assets were capitalized as items did not meet the District's capitalization policy. The lease was paid in full on July 1, 2014.



**Thompson School District R2-J**  
**Notes to Financial Statements**  
**June 30, 2014**

**NOTE (8) Changes in Long-Term Debt**

**(A) Summary**

The following is a summary of the changes in long-term debt for the year ended June 30, 2014:

	June 30, 2013	Additions	Deletions	June 30, 2014	Amount Due in One Year
<b>Governmental activities:</b>					
Bonds Payable (principal)	\$ 106,960,000	\$ -	\$ 5,620,000	\$ 101,340,000	\$ 5,950,000
Premium Bond Refinancing '12	13,341,869	-	1,135,478	12,206,391	-
Premium Bond Issuance '05	112,538	-	37,513	75,025	-
Premium Bond Issuance '03	583,081	-	145,769	437,312	-
Certificates of Participation	2,860,000	-	210,000	2,650,000	220,000
Capital Lease Obligations Payable	458,112	-	223,819	234,293	234,293
Compensated Absences*	462,733	700,818	731,836	431,715	280,000
Severance-Incentive Payable*	5,481,469	2,298,123	1,896,314	5,883,278	1,760,446
Total	<u>\$ 130,259,802</u>	<u>\$ 2,998,941</u>	<u>\$ 10,000,729</u>	<u>\$ 123,258,014</u>	<u>\$ 8,444,739</u>
<b>Business-type activities:</b>					
Compensated Absences	<u>\$ 24,873</u>	<u>\$ 14,336</u>	<u>\$ 35,834</u>	<u>\$ 3,375</u>	<u>\$ 3,375</u>

\* The General Fund liquidates compensated absences and the severance incentive stipend payable.

**(B) Annual Requirements**

Listed below are the annual requirements to amortize the Severance Incentive at June 30, 2014:

Year Ended June 30, 2014	Severance Incentive Stipends
2015	\$ 1,760,446
2016	1,599,081
2017	1,265,574
2018	649,270
2019	479,386
2020	129,521
Total	<u>\$ 5,883,278</u>

**NOTE (9) Interfund Transfers**

Interfund transfers at June 30, 2014, were composed of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Government Designated-Purpose Grants	General	\$ 696,554
Fee Supported Programs	General	320,556
Capital Projects	General	<u>2,075,000</u>
	Total	<u>\$ 3,092,110</u>

**Thompson School District R2-J**  
**Notes to Financial Statements**  
**June 30, 2014**

The General Fund routinely subsidizes programs of the Fee Supported Fund. The General Fund also transfers monies to the Grants Fund. The majority of the transfers are for Early Childhood Special Education and the balance are for matching programs. The General Fund transfers monies to the Capital Projects Fund for facility maintenance, transportation, technology and debt service.

**NOTE (10) Defined Benefit Pension Plan**

**(A) Plan Description**

The District 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 the District 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 at 303-832-9550 or 1-800-759-PERA (7372).

**(B) Funding Policy**

The contribution requirements of plan members and the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members was 8% of covered salaries. The District's contribution rate for calendar years 2014, 2013, and 2012 was 17.45%, 16.55%, and 15.65%, of covered salaries, respectively. A portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 11). The District's contributions to SDTF for the years ending June 30, 2014, 2013, and 2012 were \$13,051,625, \$11,669,509 and \$11,307,259, respectively, equal to the required contributions for each year.

**NOTE (11) Postemployment Healthcare Benefits**

**(A) Plan Description**

The District contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by the PERA. The HCTF 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 HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained by writing to PERA of Colorado, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

**(B) Funding Policy**

The District is required to contribute at a rate of 1.02% of covered salaries for all PERA members as set by statute. No member contributions are required. The contribution requirements for the

**Thompson School District R2-J**  
**Notes to Financial Statements**  
**June 30, 2014**

District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The District's apportionment to the HCTF for the years ending June 30, 2014, 2013, 2012 was \$782,466, \$738,914, and \$758,615, respectively, equal to the required amounts for each year.

**NOTE (12) 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.

**Colorado School District Self Insurance Pool**

The District has joined together with other districts to participate in the Colorado School Districts Self Insurance Pool (CSDSIP), a public entity risk pool currently operating as a common risk management and insurance program for school districts. Participation in CSDSIP is approved by and managed under regulations promulgated by the Colorado State Insurance Division of Regulatory Agencies. The District pays an annual premium to CSDSIP for its general property and liability insurance coverage. CSDSIP is self-sustaining through member premiums and currently carries reinsurance for property claims in excess of \$1,000,000 and for liability claims in excess of \$500,000.

The Colorado Governmental Immunity Act limits the types of liability claims that can be brought against a school district and the amount of monetary damages that a school district might be ordered to pay. The maximum amount that can be recovered for an injury involving one person in any single occurrence is \$350,000. The maximum amount that is recoverable for a single occurrence involving two or more people is \$990,000. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. Complete financial statements for CSDSIP can be obtained from CSDSIP, 6857 South Spruce Street, Centennial, Colorado 80112.

**Other Risks**

The General Fund is used to report the purchase of commercial insurance for workers' compensation coverage and other types of coverage not provided in the pool agreement; to partially fund salaries and other service costs for risk management and loss control (deductibles, security contracts, medical evaluation, controlled substance and alcohol testing, etc.).

**NOTE (13) Commitments and Contingencies**

**(A) Litigation**

The District is involved in pending lawsuits. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial statements of the District.

**Thompson School District R2-J**  
**Notes to Financial Statements**  
**June 30, 2014**

**(B) Grants and State Funding**

The District participates in a number of Federal and State assisted grant programs. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2014.

**(C) TABOR Amendment**

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.

In November 2000, voter approval was given to the District to remove the restriction on growth in revenue effective beginning the fiscal year ended June 30, 2000. At June 30, 2014, the District has complied with the requirements to establish emergency reserves that are recorded in the financial statements as restricted fund balance.

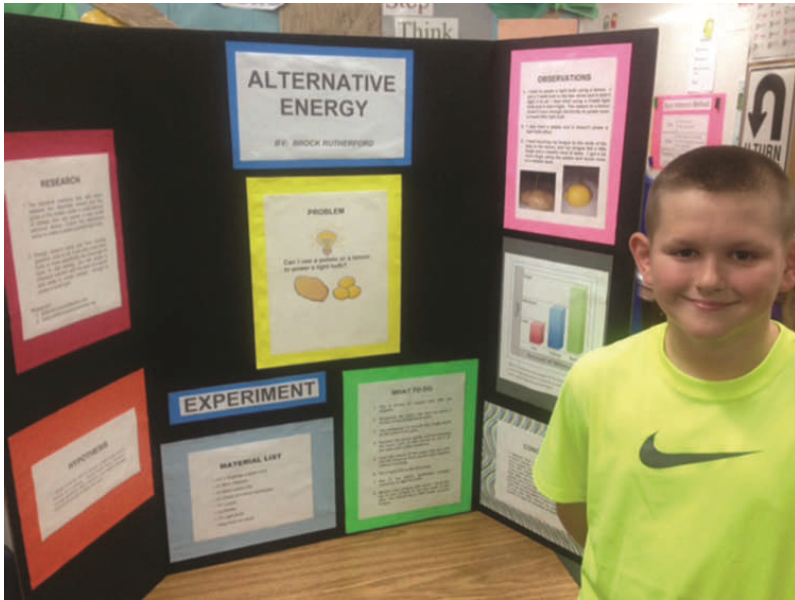
**NOTE (14) Change in Accounting Principle**

For the year ended June 30, 2014, the District adopted the standards of Governmental Accounting Standards Board Statement No 65, *Items Previously Reported as Assets and Liabilities*. As a result, net position of the governmental activities was restated to remove debt issuance costs capitalized in previous years, as follows.

	<b>Governmental Activities</b>
Net Position June 30, 2013 as Originally Stated	\$ 92,707,139
Debt Issuance Costs, Net of Accumulated Amortization	<u>(690,912)</u>
<b>Net Position, June 30, 2013, as Restated</b>	<b><u>\$ 92,016,227</u></b>

**NOTE (15) Subsequent Event**

On October 30, 2014, the District issued \$11,515,000 Certificates of Participation, Series 2014. Proceeds were used to refund the Certificates of Participation, Series 2004, and finance the construction of a new school.



## **REQUIRED SUPPLEMENTARY INFORMATION**

These financial statements present information required by the Governmental Accounting Standards Board, including budget to actual comparison for the General Fund and major special revenue funds, more detailed information, such as budget to actual comparisons for the individual funds in a format that segregates information by major fund type and non-major funds.

## **GENERAL FUND**

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed primarily from property taxes and state aid. It is the most significant fund in relation to the District's overall operations.

**Thompson School District R2-J  
General Fund - 10  
Budgetary Comparison Schedule  
Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenue</b>				
Taxes				
Local Property- School Finance Act	\$ 30,444,044	\$ 29,314,149	\$ 29,675,067	\$ 360,918
Local Property- Mill Levy Override	12,848,692	12,940,685	13,071,303	130,618
Specific Ownership	4,020,218	4,386,651	4,428,291	41,640
Intergovernmental				
Equalization Entitlements	62,153,749	63,831,868	63,794,200	(37,668)
Special Education	3,212,387	3,252,845	3,146,620	(106,225)
Vocational Education	350,000	296,000	326,140	30,140
Transportation	1,007,133	988,273	1,020,396	32,123
Other Federal Grants	54,500	74,500	67,079	(7,421)
Charter School Chargebacks	914,428	950,123	952,278	2,155
Other	689,692	669,692	755,241	85,549
Investment Earnings	44,400	44,400	72,034	27,634
<b>TOTAL REVENUE</b>	<u>115,739,243</u>	<u>116,749,186</u>	<u>117,308,649</u>	<u>559,463</u>
<b>TOTAL EXPENDITURES</b>	<u>119,076,888</u>	<u>119,209,001</u>	<u>117,720,052</u>	<u>1,488,949</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(3,337,645)</u>	<u>(2,459,815)</u>	<u>(411,403)</u>	<u>2,048,412</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out:				
Governmental Designated-Purpose				
Grants Fund	(760,672)	(798,169)	(696,554)	101,615
Fee Supported Programs Fund	(294,656)	(294,656)	(320,556)	(25,900)
Capital Projects Fund	(1,055,000)	(1,855,000)	(2,075,000)	(220,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(2,110,328)</u>	<u>(2,947,825)</u>	<u>(3,092,110)</u>	<u>(144,285)</u>
<b>Net Change in Fund Balance</b>	(5,447,973)	(5,407,640)	(3,503,513)	1,904,127
<b>Fund Balance - Beginning of Year</b>	<u>26,219,804</u>	<u>29,818,937</u>	<u>29,818,937</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u>\$ 20,771,831</u>	<u>\$ 24,411,297</u>	<u>\$ 26,315,424</u>	<u>\$ 1,904,127</u>

See independent auditors' report



**Thompson School District R2-J  
General Fund - 10  
Budgetary Comparison Schedule  
Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
Instruction:				
Salaries and Benefits	\$ 61,763,426	\$ 62,035,841	\$ 61,096,893	\$ 938,948
Purchased Services	1,813,492	1,813,492	1,591,018	222,474
Supplies and Materials	2,866,283	2,866,283	2,479,659	386,624
Other	51,963	51,963	49,254	2,709
<b>Total Instruction</b>	<u>66,495,164</u>	<u>66,767,579</u>	<u>65,216,824</u>	<u>1,550,755</u>
Supporting Services				
Pupil Services	6,720,922	6,728,532	7,483,743	(755,211)
Instructional Staff	8,664,884	8,664,884	8,414,572	250,312
General Administration	703,609	703,609	691,508	12,101
School Administration	7,946,526	7,946,734	7,745,914	200,820
Business Services	1,988,740	1,988,740	1,927,179	61,561
Maintenance/Operations	11,210,242	11,210,242	11,154,679	55,563
Pupil Transportation	3,952,415	3,952,415	3,818,224	134,191
Central Supporting Services	3,599,207	3,602,752	3,123,155	479,597
Community Services	-	-	32,630	(32,630)
<b>Total Supporting Services</b>	<u>44,786,545</u>	<u>44,797,908</u>	<u>44,391,604</u>	<u>406,304</u>
Capital Outlay	854,958	854,958	1,325,652	(470,694)
Charter School Allocation	6,940,221	6,788,556	6,785,972	2,584
<b>TOTAL EXPENDITURES</b>	<u>\$ 119,076,888</u>	<u>\$ 119,209,001</u>	<u>\$ 117,720,052</u>	<u>\$ 1,488,949</u>

See independent auditors' report

## **GOVERNMENT DESIGNATED PURPOSE GRANTS FUND**

The Government Designated-Purpose Grants Fund maintains the accounting for programs funded by federal, state and local grants that normally have a different fiscal period than that of the District.

**Thompson School District**  
**Government Designated Purpose Grants Fund - 22 & 28**  
**Budgetary Comparison Schedule**  
**Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Budget</u>		
<b>Revenue</b>				
Intergovernmental				
Federal Sources	\$ 6,225,789	\$ 6,225,789	\$ 7,372,140	\$ 1,146,351
State/Local Sources	740,884	1,462,031	1,840,162	378,131
Investment Earnings	-	-	732	732
<b>TOTAL REVENUE</b>	<u>6,966,673</u>	<u>7,687,820</u>	<u>9,213,034</u>	<u>1,525,214</u>
<b>Expenditures</b>				
Instruction				
Salaries and Benefits	4,444,748	4,667,455	5,074,913	(407,458)
Purchased Services	181,327	229,972	81,091	148,881
Supplies and Materials	160,256	231,198	243,601	(12,403)
Equipment	14,215	16,714	90,603	(73,889)
Other Expenditures	1,295	1,295	5,596	(4,301)
Total Instruction	<u>4,801,841</u>	<u>5,146,634</u>	<u>5,495,804</u>	<u>(349,170)</u>
Supporting Services				
Pupil Services	1,393,582	1,406,045	1,498,139	(92,094)
Instructional Staff	934,725	1,119,953	1,923,549	(803,596)
School Administration	518,580	518,580	416,138	102,442
Maintenance/Operations	12,086	197,366	58,165	139,201
Community Services	66,531	66,531	133,559	(67,028)
Total Support Services	<u>2,925,504</u>	<u>3,308,475</u>	<u>4,029,550</u>	<u>(721,075)</u>
<b>Total Expenditures</b>	<u>7,727,345</u>	<u>8,455,109</u>	<u>9,525,354</u>	<u>(1,070,245)</u>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	(760,672)	(767,289)	(312,320)	454,969
<b>Other Financing Sources</b>				
Transfer In	<u>760,672</u>	<u>767,289</u>	<u>696,554</u>	<u>(70,735)</u>
<b>Net Change in Fund Balance</b>	-	-	384,234	384,234
<b>Fund Balances - Beginning of Year</b>	<u>833,170</u>	<u>963,356</u>	<u>963,356</u>	<u>-</u>
<b>Fund Balances - End of Year</b>	<u>\$ 833,170</u>	<u>\$ 963,356</u>	<u>\$ 1,347,590</u>	<u>\$ 384,234</u>

See independent auditors' report

**Thompson School District R2-J**  
**Notes to Required Supplementary Information**  
**June 30, 2014**

**Budgets and Budgetary Accounting**

The District adheres to the following procedures in compliance with Colorado Revised Statutes, establishing the budgetary data reflected in the financial statements:

- 1) Budgets are required by state law for all funds. Prior to May 31, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- 3) Prior to June 30, the budget is adopted by formal resolution.
- 4) Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and reallocation of budget line items within any department in the General Fund rests with the Superintendent of Schools, or department directors. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- 5) Budgets for all funds are adopted on a basis consistent with US GAAP with the exception of the Nutritional Services Fund. The Nutritional Services Fund budgets for capital outlay and not for depreciation expense.
- 6) Appropriations lapse at year-end.

**Legal Compliance**

For the year end June 30, 2014, the Government Designated Purpose Grants Fund and the Building Fund expenditures exceeded the amounts budgeted by \$1,070,245 and \$217,708 respectively. This may be a violation of State statutes.

## **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

These financial statements present more detailed information, such as budget to actual comparisons for the individual funds in a format that segregates information by major fund type and non-major funds.

## **DEBT SERVICE FUND**

The District has one debt service fund, the Bond Redemption Fund. This fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. This fund's primary revenue sources are local property taxes levied specifically for debt service.

**Thompson School District R2-J  
 Bond Redemption Fund - 31  
 Budgetary Comparison Schedule  
 Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenue</b>				
Local Property Taxes	\$ 10,461,163	\$ 10,461,163	\$ 10,494,627	\$ 33,464
Investment Earnings	<u>4,500</u>	<u>4,500</u>	<u>21,170</u>	<u>16,670</u>
<b>TOTAL REVENUE</b>	<u>10,465,663</u>	<u>10,465,663</u>	<u>10,515,797</u>	<u>50,134</u>
<b>Expenditures</b>				
Debt Service:				
Principal retirement	5,620,000	5,620,000	5,620,000	-
Interest and Fiscal Charges	<u>4,640,919</u>	<u>4,640,919</u>	<u>4,635,919</u>	<u>5,000</u>
<b>TOTAL EXPENDITURES</b>	<u>10,260,919</u>	<u>10,260,919</u>	<u>10,255,919</u>	<u>5,000</u>
<b>Net Change in Fund Balance</b>	204,744	204,744	259,878	55,134
<b>Fund Balance - Beginning of Year</b>	<u>12,284,072</u>	<u>12,351,178</u>	<u>12,351,178</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u>\$ 12,488,816</u>	<u>\$ 12,555,922</u>	<u>\$ 12,611,056</u>	<u>\$ 55,134</u>

See independent auditors' report

## **CAPITAL PROJECTS FUND**

The Building Fund accounts for the debt proceeds to be used to construct, renovate and equip capital facilities.



**Thompson School District R2-J  
Building Fund - 41  
Budgetary Comparison Schedule  
Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenue</b>				
Investment Earnings	\$ 100	\$ 100	\$ 661	\$ 561
Loveland URA Distribution	-	-	207,316	207,316
<b>TOTAL REVENUES</b>	<u>100</u>	<u>100</u>	<u>207,977</u>	<u>207,877</u>
<b>Expenditures</b>				
Maintenance / Operations	90,100	90,100	-	90,100
Capital Projects	-	-	307,808	(307,808)
<b>TOTAL EXPENDITURES</b>	<u>90,100</u>	<u>90,100</u>	<u>307,808</u>	<u>(217,708)</u>
<b>Net Change in Fund Balance</b>	(90,000)	(90,000)	(99,831)	(9,831)
<b>Fund Balance - Beginning of the Year</b>	<u>90,000</u>	<u>99,831</u>	<u>99,831</u>	<u>-</u>
<b>Fund Balance - End of the Year</b>	<u>\$ -</u>	<u>\$ 9,831</u>	<u>\$ -</u>	<u>\$ (9,831)</u>

See independent auditors' report

## NON-MAJOR FUNDS

The District has the following Non-major Funds:

### **Land Reserve Fund**

This fund is provided to maintain a separate accounting for cash in lieu of land dedication assessed on newly constructed homes that have an impact on the District's financial resources. This revenue is to provide facilities for learning due to the increased amount of student population.

### **Fee Supported Programs Fund**

This fund is used to account for programs that are financed primarily through user fees and tuition.

### **Capital Projects Fund**

This fund is used to fund ongoing capital needs such as site acquisitions, building additions, equipment purchases and technology. Funding is provided by a transfer from the General Fund.



**Thompson School District R2-J  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2014**

	<u>Land Reserve</u>	<u>Fee Supported Programs</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>				
Cash and Investments	\$ 2,728,531	\$ 1,674,091	\$ 2,303,669	\$ 6,706,291
Accounts Receivable	<u>47,279</u>	<u>3,301</u>	<u>-</u>	<u>50,580</u>
<b>Total Assets</b>	<u>\$ 2,775,810</u>	<u>\$ 1,677,392</u>	<u>\$ 2,303,669</u>	<u>\$ 6,756,871</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ -	\$ 24,141	\$ 76,935	\$ 101,076
Retainage Payable	-	-	5,000	5,000
Accrued Salaries and Benefits	<u>-</u>	<u>219,606</u>	<u>-</u>	<u>219,606</u>
<b>Total Liabilities</b>	<u>-</u>	<u>243,747</u>	<u>81,935</u>	<u>325,682</u>
<b>Fund Balances</b>				
Restricted for TABOR	18,217	-	-	18,217
Restricted for Debt Service	-	-	344,580	344,580
Restricted for Land & Land Improvements	2,757,593	-	-	2,757,593
Committed to Student Specific Programs	-	1,433,645	-	1,433,645
Assigned to Capital Projects	<u>-</u>	<u>-</u>	<u>1,877,154</u>	<u>1,877,154</u>
<b>Total Fund Balances</b>	<u>2,775,810</u>	<u>1,433,645</u>	<u>2,221,734</u>	<u>6,431,189</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,775,810</u>	<u>\$ 1,677,392</u>	<u>\$ 2,303,669</u>	<u>\$ 6,756,871</u>

See independent auditors' report

**Thompson School District R2-J**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2014**

	<u>Land Reserve</u>	<u>Fee Supported Programs</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenue</b>				
Investment earnings	\$ 2,073	\$ 1,152	\$ 15,656	\$ 18,881
Other	605,155	1,875,164	65,570	2,545,889
<b>TOTAL REVENUES</b>	<u>607,228</u>	<u>1,876,316</u>	<u>81,226</u>	<u>2,564,770</u>
<b>Expenditures</b>				
Instruction				
Salaries and Benefits	-	805,033	-	805,033
Purchased Services	-	30,134	24,281	54,415
Supplies and Materials	-	179,510	-	179,510
Equipment	-	10,888	82,946	93,834
Other Expenditures	-	25,837	-	25,837
Total Instruction	<u>-</u>	<u>1,051,402</u>	<u>107,227</u>	<u>1,158,629</u>
Supporting Services				
Pupil Services	-	26,510	-	26,510
Instructional Staff	-	27,378	496,975	524,353
School Administration	-	83,427	-	83,427
Maintenance/Operations	-	-	716,933	716,933
Pupil Transportation	-	-	367,093	367,093
Central Supporting Services	855	-	50,608	51,463
Community Services	-	969,527	-	969,527
Total Support Services	<u>855</u>	<u>1,106,842</u>	<u>1,631,609</u>	<u>2,739,306</u>
Debt Service - Principal	-	-	433,819	433,819
Debt Service - Interest	-	-	139,768	139,768
Total Debt Service	<u>-</u>	<u>-</u>	<u>573,587</u>	<u>573,587</u>
<b>TOTAL EXPENDITURES</b>	<u>855</u>	<u>2,158,244</u>	<u>2,312,423</u>	<u>4,471,522</u>
<b>Excess of Revenues</b>				
<b>Over (Under) Expenditures</b>	606,373	(281,928)	(2,231,197)	(1,906,752)
<b>Other Financing Sources</b>				
Transfers in	-	320,556	2,075,000	2,395,556
<b>Net Change in Fund Balances</b>	606,373	38,628	(156,197)	488,804
<b>Fund Balances - Beginning of the Year</b>	<u>2,169,437</u>	<u>1,395,017</u>	<u>2,377,931</u>	<u>5,942,385</u>
<b>Fund Balances - End of the Year</b>	<u>\$ 2,775,810</u>	<u>\$ 1,433,645</u>	<u>\$ 2,221,734</u>	<u>\$ 6,431,189</u>

See independent auditors' report

**Thompson School District R2-J  
Land Reserve Fund - 27  
Budgetary Comparison Schedule  
Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenue</b>				
Investment Earnings	\$ 1,690	\$ 1,690	\$ 2,073	\$ 383
Payments in lieu of Land Dedication	<u>719,128</u>	<u>719,128</u>	<u>605,155</u>	<u>(113,973)</u>
<b>TOTAL REVENUE</b>	<u>720,818</u>	<u>720,818</u>	<u>607,228</u>	<u>(113,590)</u>
<b>Expenditures</b>				
Supporting Services				
Central Supporting Services	<u>2,671,961</u>	<u>2,671,961</u>	<u>855</u>	<u>2,671,106</u>
<b>TOTAL EXPENDITURES</b>	<u>2,671,961</u>	<u>2,671,961</u>	<u>855</u>	<u>2,671,106</u>
<b>Net Change in Fund Balance</b>	(1,951,143)	(1,951,143)	606,373	2,557,516
<b>Fund Balance - Beginning of Year</b>	<u>1,976,143</u>	<u>2,169,437</u>	<u>2,169,437</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u>\$ 25,000</u>	<u>\$ 218,294</u>	<u>\$ 2,775,810</u>	<u>\$ 2,557,516</u>

See independent auditors' report

**Thompson School District R2-J  
Fee Supported Programs Fund - 29  
Budgetary Comparison Schedule  
Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenue</b>				
Charges for Services	\$ 1,493,150	\$ 1,877,150	\$ 1,875,164	\$ (1,986)
Investment Earnings	-	-	1,152	1,152
<b>TOTAL REVENUE</b>	<u>1,493,150</u>	<u>1,877,150</u>	<u>1,876,316</u>	<u>(834)</u>
<b>Expenditures</b>				
Instruction				
Salaries and Benefits	615,290	750,140	805,033	(54,893)
Purchased Services	211,000	309,520	30,134	279,386
Supplies and Materials	8,900	11,800	179,510	(167,710)
Equipment	6,200	8,930	10,888	(1,958)
Other Expenditures	-	-	25,837	(25,837)
Total Instruction	<u>841,390</u>	<u>1,080,390</u>	<u>1,051,402</u>	<u>28,988</u>
Supporting Services				
Pupil Services	-	-	26,510	(26,510)
Instructional Staff	-	-	27,378	(27,378)
School Administration	82,450	82,450	83,427	(977)
Community Services	855,918	1,000,918	969,527	31,391
Total Support Services	<u>938,368</u>	<u>1,083,368</u>	<u>1,106,842</u>	<u>(23,474)</u>
<b>TOTAL EXPENDITURES</b>	<u>1,779,758</u>	<u>2,163,758</u>	<u>2,158,244</u>	<u>5,514</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(286,608)	(286,608)	(281,928)	4,680
<b>Other Financing Sources</b>				
Transfers In	294,656	294,656	320,556	25,900
<b>Net Change in Fund Balance</b>	8,048	8,048	38,628	30,580
<b>Fund Balance - Beginning of the Year</b>	<u>1,254,354</u>	<u>1,395,017</u>	<u>1,395,017</u>	<u>-</u>
<b>Fund Balance - End of the Year</b>	<u>\$ 1,262,402</u>	<u>\$ 1,403,065</u>	<u>\$ 1,433,645</u>	<u>\$ 30,580</u>

See independent auditors' report

**Thompson School District R2-J  
Capital Projects Fund - 43  
Budgetary Comparison Schedule  
Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenue</b>				
Investment Earnings	\$ -	\$ -	\$ 15,656	\$ 15,656
Other	-	-	65,570	65,570
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>81,226</u>	<u>81,226</u>
<b>Expenditures</b>				
Instruction				
Purchased Services	-	-	24,281	(24,281)
Equipment	60,000	60,000	82,946	(22,946)
Total Instruction	<u>60,000</u>	<u>60,000</u>	<u>107,227</u>	<u>(47,227)</u>
Supporting Services				
Instructional Staff	455,000	455,000	496,975	(41,975)
Maintenance/Operations	1,210,000	1,210,000	716,933	493,067
Pupil Transportation	350,000	350,000	367,093	(17,093)
Central Supporting Services	72,000	72,000	50,608	21,392
Total Support Services	<u>2,087,000</u>	<u>2,087,000</u>	<u>1,631,609</u>	<u>455,391</u>
Debt Service - Principal	523,614	523,614	433,819	89,795
Debt Service - Interest	84,386	84,386	139,768	(55,382)
Total Debt Services	<u>608,000</u>	<u>608,000</u>	<u>573,587</u>	<u>34,413</u>
<b>TOTAL EXPENDITURES</b>	<u>2,755,000</u>	<u>2,755,000</u>	<u>2,312,423</u>	<u>442,577</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(2,755,000)	(2,755,000)	(2,231,197)	523,803
<b>Other Financing Sources</b>				
Transfer In	1,055,000	1,855,000	2,075,000	220,000
<b>Net Change in Fund Balance</b>	(1,700,000)	(900,000)	(156,197)	743,803
<b>Fund Balance - Beginning of Year</b>	<u>2,036,136</u>	<u>2,377,931</u>	<u>2,377,931</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u>\$ 336,136</u>	<u>\$ 1,477,931</u>	<u>\$ 2,221,734</u>	<u>\$ 743,803</u>

See independent auditors' report





## **ENTERPRISE FUND**

Proprietary funds are used to account for activities that generate net income or maintain capital. While US GAAP used to prepare the financial statements at year-end are comparable to those found in private business, these funds are budgeted like governmental fund types. The main difference between financial reporting and budgeting is that the depreciation of assets is recorded for financial reporting purposes but is not budgeted. Capital asset acquisitions are budgeted as an expense, but are classified as an asset for financial reporting purposes. One type of proprietary fund is an enterprise fund.

Enterprise funds account for operations that are financed and operated in a manner similar to private enterprises, where the cost of providing goods or services to the general public is financed or recovered primarily by user charges.

The District has one enterprise fund, the Nutrition Services Fund.

This fund accounts for all financial activities associated with the district school breakfast and lunch programs. Funding is provided by sales to pupils and intergovernmental revenue from the United States Department of Agriculture.

**Thompson School District R2-J  
Nutrition Services Fund - 51  
Budgetary Comparison Schedule  
Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenue</b>				
Food Sales and Catering Sales	\$ 1,717,766	\$ 1,717,766	\$ 1,505,342	\$ (212,424)
Federal Aid:				
USDA Reimbursements	2,588,725	2,588,725	2,807,756	219,031
Commodities	292,984	292,984	271,014	(21,970)
State Categorical Reimbursement	100,860	100,860	78,225	(22,635)
Interest Earnings	-	-	322	322
<b>TOTAL REVENUE</b>	<u>4,700,335</u>	<u>4,700,335</u>	<u>4,662,659</u>	<u>(37,676)</u>
<b>Expenditures</b>				
Salaries and Benefits	2,231,954	2,231,954	2,175,421	56,533
Purchased Services	44,050	44,050	68,888	(24,838)
Supplies and Materials	2,311,713	2,311,713	2,339,480	(27,767)
Equipment	14,800	14,800	7,631	7,169
<b>TOTAL EXPENDITURES</b>	<u>4,602,517</u>	<u>4,602,517</u>	<u>4,591,420</u>	<u>11,097</u>
Net Income (Loss)	<u>97,818</u>	<u>97,818</u>	<u>71,239</u>	<u>(26,579)</u>
Change in Net Position, Budgetary Basis	<u>\$ 97,818</u>	<u>\$ 97,818</u>	71,239	<u>\$ (26,579)</u>
Less: Depreciation Expense			(70,317)	
Capital Contributions			<u>46,310</u>	
Change in Net Position, GAAP Basis			47,232	
<b>Net Position - Beginning of the Year</b>			<u>1,147,694</u>	
<b>Net Position - End of the Year</b>			<u>\$ 1,194,926</u>	

See independent auditors' report

## **FIDUCIARY FUND TYPE**

Fiduciary Funds – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District does not have any trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District has two agency funds; The Education Memorial Fund and the Interscholastic Athletic and Activity Fund.

**Thompson School District R2-J**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2014**

	<b>Education Memorial</b>	<b>Interscholastic Athletic and Activity</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and Investments	\$ 74,116	\$ 1,248,487	\$ 1,322,603
Accounts Receivable	-	3,310	3,310
<b>TOTAL ASSETS</b>	<b>\$ 74,116</b>	<b>\$ 1,251,797</b>	<b>\$ 1,325,913</b>
<b>LIABILITIES</b>			
Accounts Payable	-	51,704	51,704
Accrued Salaries and Benefits	-	1,610	1,610
Undistributed Monies	74,116	1,198,483	1,272,599
<b>TOTAL LIABILITES</b>	<b>\$ 74,116</b>	<b>\$ 1,251,797</b>	<b>\$ 1,325,913</b>

See independent auditor's report

**Thompson School District R2-J**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2014**

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<b><u>Education Memorial</u></b>				
<b>Assets</b>				
Cash and Investments	\$ 80,867	\$ 56,204	\$ 62,955	\$ 74,116
<b>Liabilities</b>				
Undistributed Monies	\$ 80,867	\$ 56,204	\$ 62,955	\$ 74,116
<b>Total Liabilities</b>	<b>\$ 80,867</b>	<b>\$ 56,204</b>	<b>\$ 62,955</b>	<b>\$ 74,116</b>
<b><u>Interscholastic Athletic and Activity</u></b>				
<b>Assets</b>				
Cash and Investments	\$ 1,145,484	\$ 2,640,005	\$ 2,537,002	\$ 1,248,487
Accounts Receivable	-	3,310	-	3,310
<b>Total Assets</b>	<b>\$ 1,145,484</b>	<b>\$ 2,643,315</b>	<b>\$ 2,537,002</b>	<b>\$ 1,251,797</b>
<b>Liabilities</b>				
Accounts Payable	\$ 42,846	\$ 8,858	-	\$ 51,704
Accrued Salaries and Benefits	4,391	-	2,781	1,610
Undistributed Monies	1,098,247	2,634,457	2,534,221	1,198,483
<b>Total Liabilities</b>	<b>\$ 1,145,484</b>	<b>\$ 2,643,315</b>	<b>\$ 2,537,002</b>	<b>\$ 1,251,797</b>
<b><u>Combined</u></b>				
<b>Assets</b>				
Cash and Investments	\$ 1,226,351	\$ 2,696,209	\$ 2,599,957	\$ 1,322,603
Accounts Receivable	-	3,310	-	3,310
<b>Total Assets</b>	<b>\$ 1,226,351</b>	<b>\$ 2,699,519</b>	<b>\$ 2,599,957</b>	<b>\$ 1,325,913</b>
<b>Liabilities</b>				
Accounts Payable	\$ 42,846	\$ 8,858	-	\$ 51,704
Accrued Salaries and Benefits	4,391	-	2,781	1,610
Undistributed Monies	1,179,114	2,690,661	2,597,176	1,272,599
<b>Total Liabilities</b>	<b>\$ 1,226,351</b>	<b>\$ 2,699,519</b>	<b>\$ 2,599,957</b>	<b>\$ 1,325,913</b>

See independent auditors' report

**Thompson School District R2-J  
Education Memorial Fund - 72  
Budgetary Comparison Schedule  
Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Additions</b>				
Investment Earnings	\$ 100	\$ 100	\$ 69	\$ (31)
Donations	<u>60,000</u>	<u>60,000</u>	<u>56,135</u>	<u>(3,865)</u>
<b>Total Additions</b>	<u>60,100</u>	<u>60,100</u>	<u>56,204</u>	<u>(3,896)</u>
<b>Deductions</b>				
Scholarships	<u>70,000</u>	<u>70,000</u>	<u>62,955</u>	<u>7,045</u>
<b>Total Deductions</b>	<u>70,000</u>	<u>70,000</u>	<u>62,955</u>	<u>7,045</u>
Change in Undistributed Monies	(9,900)	(9,900)	(6,751)	3,149
<b>Undistributed Monies - Beginning of Year</b>	<u>63,668</u>	<u>80,867</u>	<u>80,867</u>	<u>-</u>
<b>Undistributed Monies - End of Year</b>	<u>\$ 53,768</u>	<u>\$ 70,967</u>	<u>\$ 74,116</u>	<u>\$ 3,149</u>

See independent auditors' report

**Thompson School District R2-J  
Interscholastic Athletic and Activity Fund - 74  
Budgetary Comparison Schedule  
Year Ended June 30, 2014**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Additions</b>				
Fund Raising and Events	\$ 2,681,301	\$ 2,781,301	\$ 2,633,101	\$ (148,200)
Investment Earnings	270	270	1,356	1,086
<b>Total Additions</b>	<u>2,681,571</u>	<u>2,781,571</u>	<u>2,634,457</u>	<u>(147,114)</u>
<b>Deductions</b>				
Athletic Expenditures	889,075	896,475	909,351	(12,876)
Pupil Activity Expenditures	1,778,066	1,780,666	1,624,870	155,796
<b>Total Deductions</b>	<u>2,667,141</u>	<u>2,677,141</u>	<u>2,534,221</u>	<u>142,920</u>
Change in Undistributed Monies	14,430	104,430	100,236	(4,194)
<b>Undistributed Monies, Beginning of Year</b>	<u>1,125,219</u>	<u>1,098,247</u>	<u>1,098,247</u>	<u>-</u>
<b>Undistributed Monies, End of Year</b>	<u>\$ 1,139,649</u>	<u>\$ 1,202,677</u>	<u>\$ 1,198,483</u>	<u>\$ (4,194)</u>

See independent auditors' report



## **COMPONENT UNITS**

Component Units are legal separate entities for which the primary government is financially accountable. Certain legal and organizational structures such as charter schools and foundations may result in an entity apart from, although connected to, the school district. When this happens the financial transactions of the charter school or foundation is usually not included in the school district's financial transaction database for normal day to day operations. However, districts are required to include the activity for revenues and expenditures in the financial statement presentation.

Thompson School District's component units consist of two charter school administrative units: New Vision Charter School, Loveland Classical Schools and Thompson Education Foundation. These entities have separate governing boards.

**Thompson School District R2-J**  
**Combining Statement of Net Position**  
**Component Units**  
**As of June 30, 2014**

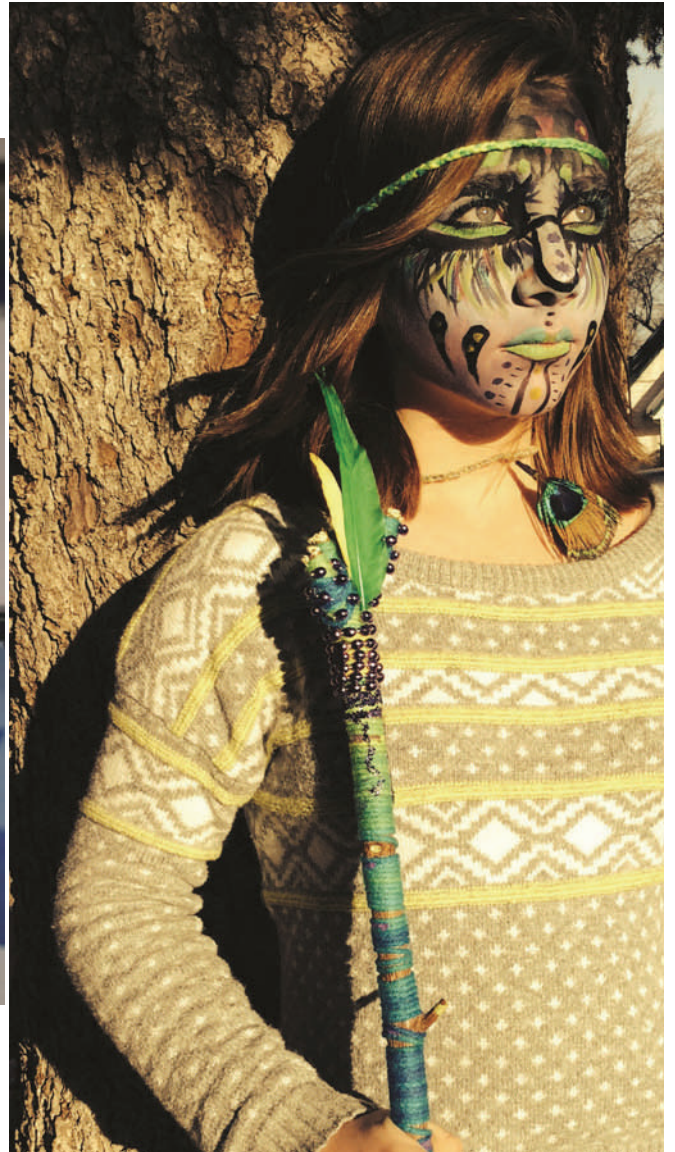
	<u>New Vision Charter School</u>	<u>Loveland Classical Schools</u>	<u>Thompson Education Foundation</u>	<u>Total Component Units</u>
<b>ASSETS</b>				
Cash and Investments	\$ 943,508	\$ 894,015	\$ 1,186,788	\$ 3,024,311
Restricted Cash and Investments	595,008	-	-	595,008
Accounts Receivable	6,133	310	2,688	9,131
Grants Receivable	-	91,445	-	91,445
Prepaid Expense	510,000	2,871	-	512,871
Capital Assets, Not Being Depreciated: Land	400,000	-	-	400,000
Capital Assets, Net of Accumulated Depreciation	2,867,651	23,100	-	2,890,751
<b>Total Assets</b>	<u>\$ 5,322,300</u>	<u>\$ 1,011,741</u>	<u>\$ 1,189,476</u>	<u>\$ 7,523,517</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 3,831	\$ 54,731	\$ 32,514	\$ 91,076
Accrued Salaries and Benefits	114,591	195,381	-	309,972
Accrued Interest Payable	77,794	-	-	77,794
Unearned Revenue	-	24,291	-	24,291
<b>Total Current Liabilities</b>	<u>196,216</u>	<u>274,403</u>	<u>32,514</u>	<u>503,133</u>
<b>Noncurrent Liabilities</b>				
Due Within One Year	70,000	-	-	70,000
Due in More Than One Year	4,540,000	-	-	4,540,000
<b>Total Noncurrent Liabilities</b>	<u>4,610,000</u>	<u>-</u>	<u>-</u>	<u>4,610,000</u>
<b>Total Liabilities</b>	<u>4,806,216</u>	<u>274,403</u>	<u>32,514</u>	<u>5,113,133</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	(1,342,349)	23,100	-	(1,319,249)
Restricted for Future Lease Obligations	510,000	-	-	510,000
Restricted for Debt Service	412,121	-	-	412,121
Restricted for Repairs and Replacement	105,093	-	-	105,093
Restricted for Emergencies	92,000	129,000	-	221,000
Restricted for School Expansion Project	-	50,000	-	50,000
Unrestricted	739,219	535,238	1,156,962	2,431,419
<b>Total Net Position</b>	<u>516,084</u>	<u>737,338</u>	<u>1,156,962</u>	<u>2,410,384</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 5,322,300</u>	<u>\$ 1,011,741</u>	<u>\$ 1,189,476</u>	<u>\$ 7,523,517</u>

See independent auditors' report

**Thompson School District R2-J  
Combining Statement of Activities  
Component Units  
For the Year Ended June 30, 2014**

	<u>New Vision Charter School</u>	<u>Loveland Classical Schools</u>	<u>Thompson Education Foundation</u>	<u>Total Component Units</u>
<b>Expenses</b>				
Total Instruction	\$ 1,907,272	2,497,319	\$ -	\$ 4,404,591
Total Support Services	868,283	1,719,922	523,202	3,111,407
Total Business Activities	394,218	-	-	394,218
Interest Expense	-	82,595	-	82,595
<b>Total Expenses</b>	<u>3,169,773</u>	<u>4,299,836</u>	<u>523,202</u>	<u>7,992,811</u>
<b>Program Revenues</b>				
Charges for Services	117,985	133,240	4,197	255,422
Operating Grants and Contributions	141,293	116,183	436,332	693,808
<b>Total Program Revenues</b>	<u>259,278</u>	<u>249,423</u>	<u>440,529</u>	<u>949,230</u>
<b>General Revenues</b>				
Per Pupil Revenues	2,875,113	3,910,859	-	6,785,972
Capital Construction	43,257	58,840	-	102,097
Investment Income	720	-	95,091	95,811
Grants and Contributions not Restricted to Specific Programs	22,873	251,798	-	274,671
Miscellaneous	969	3,170	-	4,139
<b>Total General Revenues</b>	<u>2,942,932</u>	<u>4,224,667</u>	<u>95,091</u>	<u>7,262,690</u>
<b>Changes in Net Position</b>	32,437	174,254	12,418	219,109
Net Position - Beginning	483,647	563,084	1,144,544	2,191,275
Net Position - Ending	<u>\$ 516,084</u>	<u>\$ 737,338</u>	<u>\$ 1,156,962</u>	<u>\$ 2,410,384</u>

See independent auditor's report



## STATISTICAL SECTION

This part of the Thompson School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	74-83
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue sources.	84-88
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	89-92
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	93-94
<b>Operating Information</b> These schedules contain personnel and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	95-99



**Thompson School District R2-J**

## Schedule of Net Position

Last Ten Years

(Accrual basis of accounting)

**(Unaudited)**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 28,158,995	\$ 34,936,956	\$ 43,686,008	\$ 47,022,288
Restricted	20,147,743	21,873,077	19,230,832	19,710,398
Unrestricted	<u>2,624,964</u>	<u>4,190,887</u>	<u>13,201,584</u>	<u>15,333,817</u>
Total Governmental Activities Net Position	<u>\$ 50,931,702</u>	<u>\$ 61,000,920</u>	<u>\$ 76,118,424</u>	<u>\$ 82,066,503</u>
Business-type Activities				
Net Investment in Capital Assets	\$ 469,579	\$ 378,465	\$ 286,573	\$ 192,657
Restricted	67,967	69,313	65,516	65,286
Unrestricted	<u>300,456</u>	<u>501,246</u>	<u>610,980</u>	<u>396,484</u>
Total Business-type Activities Net Position	<u>\$ 838,002</u>	<u>\$ 949,024</u>	<u>\$ 963,069</u>	<u>\$ 654,427</u>
Primary Government				
Net Investment in Capital Assets	\$ 28,628,574	\$ 35,315,421	\$ 43,972,581	\$ 47,214,945
Restricted	20,215,711	21,942,390	19,296,348	19,775,684
Unrestricted	<u>2,925,420</u>	<u>4,692,133</u>	<u>13,812,564</u>	<u>15,730,301</u>
Total Primary Government Net Position	<u>\$ 51,769,705</u>	<u>\$ 61,949,944</u>	<u>\$ 77,081,493</u>	<u>\$ 82,720,929</u>

The District adopted GASB 65 in 2014. Issuance costs have been restated as of June 30, 2013.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	50,272,273	\$ 52,399,048	\$ 54,766,501	\$ 50,836,568	\$ 47,612,676	\$ 47,441,252
	20,344,714	20,717,458	21,066,584	21,090,133	19,828,646	20,782,304
	<u>17,297,596</u>	<u>17,421,337</u>	<u>17,065,795</u>	<u>18,622,959</u>	<u>24,574,905</u>	<u>20,537,641</u>
\$	<u><u>87,914,582</u></u>	<u><u>90,537,843</u></u>	<u><u>92,898,880</u></u>	<u><u>90,549,660</u></u>	<u><u>92,016,227</u></u>	<u><u>88,761,197</u></u>
\$	400,578	\$ 387,092	\$ 374,404	\$ 302,113	\$ 341,862	\$ 317,855
	69,152	62,547	59,057	54,384	47,788	48,906
	<u>403,158</u>	<u>552,736</u>	<u>757,372</u>	<u>786,264</u>	<u>758,044</u>	<u>828,165</u>
\$	<u><u>872,888</u></u>	<u><u>1,002,375</u></u>	<u><u>1,190,833</u></u>	<u><u>1,142,761</u></u>	<u><u>1,147,694</u></u>	<u><u>1,194,926</u></u>
\$	50,672,851	\$ 52,786,140	\$ 55,140,905	\$ 51,138,681	\$ 47,954,538	\$ 47,759,107
	20,413,865	20,780,005	21,125,641	21,144,517	19,876,434	20,831,210
	<u>17,700,754</u>	<u>17,974,073</u>	<u>17,823,167</u>	<u>19,409,223</u>	<u>25,332,949</u>	<u>21,365,806</u>
\$	<u><u>88,787,470</u></u>	<u><u>91,540,218</u></u>	<u><u>94,089,713</u></u>	<u><u>91,692,421</u></u>	<u><u>93,163,921</u></u>	<u><u>89,956,123</u></u>



**Thompson School District R2-J**  
Schedule of Changes in Net Position  
Last Ten Years  
(Accrual basis of accounting)  
(Unaudited)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses				
Governmental Activities:				
Total Instruction	\$ 63,012,325	\$ 62,223,449	\$ 66,529,238	\$ 67,834,944
Supporting Services				
Pupil Services	6,948,277	7,227,057	7,570,257	8,717,227
Instructional Staff	7,540,045	7,749,997	7,944,486	10,425,291
General Administration	919,514	925,276	1,113,179	1,213,567
School Administration	6,863,529	7,026,788	6,999,468	8,046,845
Business Services	1,641,331	1,693,037	1,706,322	1,785,422
Maintenance/Operations	9,942,999	12,039,281	6,188,899	11,122,270
Pupil Transportation	2,916,150	2,718,558	3,220,776	4,012,223
Central Supporting Services	3,928,544	2,778,997	8,767,469	7,592,656
Community Services	1,152,881	1,210,399	694,139	785,524
Total Support Services	<u>41,853,270</u>	<u>43,369,390</u>	<u>44,204,995</u>	<u>53,701,025</u>
Charter School Allocation	-	-	-	-
Interest on Long-term Debt	3,393,072	4,521,000	6,088,520	6,759,440
Total Governmental Activities Expenses	<u>108,258,667</u>	<u>110,113,839</u>	<u>116,822,753</u>	<u>128,295,409</u>
Business-type Activities:				
Nutritional Services	3,582,130	3,630,472	3,681,340	4,170,018
Total Primary Government Expenses	<u>\$ 111,840,797</u>	<u>\$ 113,744,311</u>	<u>\$ 120,504,093</u>	<u>\$ 132,465,428</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	\$ 888,085	\$ 927,887	\$ 945,121	\$ 715,218
Supporting Services				
Pupil Services	1,372	2,420	1,188	-
Instructional Staff	-	30,216	17,647	39,678
General Administration	58,367	-	-	-
School Administration	28,999	41,068	51,298	54,747
Business Services	1,024	37,191	28,190	21,366
Maintenance Operations	-	352	454	-
Central Supporting Services	601,923	460,476	487,370	482,762
Operating Grants and Contributions	9,543,859	9,824,094	11,584,333	10,766,875
Capital Grants and Contributions	94,556	6,731	427,774	-
Total Governmental Activities Program Revenues	<u>11,218,185</u>	<u>11,330,435</u>	<u>13,543,375</u>	<u>12,080,646</u>
Business-type Activities:				
Nutritional Services	3,581,938	3,738,322	3,690,798	3,857,119
Total Primary Government Program Revenues	<u>\$ 14,800,123</u>	<u>\$ 15,068,757</u>	<u>\$ 17,234,173</u>	<u>\$ 15,937,765</u>
Net (Expense)/Revenue				
Governmental Activities	\$ (97,040,482)	\$ (98,783,404)	\$ (103,279,378)	\$ (116,214,763)
Business-type Activities	(192)	107,850	9,458	(312,900)
Total Primary Government Net Expense	<u>\$ (97,040,674)</u>	<u>\$ (98,675,554)</u>	<u>\$ (103,269,920)</u>	<u>\$ (116,527,663)</u>

The District adopted GASB 65 in 2014. Issuance costs have been restated as of June 30, 2013.

Continued on next page

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	<u>69,893,811</u>	<u>\$ 72,938,988</u>	<u>\$ 72,447,458</u>	<u>\$ 74,816,653</u>	<u>\$ 71,738,996</u>	<u>\$ 78,424,559</u>
	8,823,141	10,866,456	9,614,206	8,248,122	8,641,673	9,008,392
	10,651,345	11,821,157	10,981,248	10,462,675	9,464,893	10,862,474
	1,097,462	1,123,991	1,097,871	1,282,987	796,543	691,508
	8,196,106	8,790,952	8,478,267	7,718,718	7,672,001	8,245,479
	2,286,161	3,587,229	2,233,389	1,915,333	1,890,438	1,927,179
	13,799,484	12,242,873	13,854,509	10,971,086	11,642,850	12,772,492
	4,153,388	5,882,278	5,292,524	4,369,625	4,256,359	4,473,844
	3,979,589	4,045,434	3,934,697	4,471,462	4,083,834	3,718,829
	831,718	925,487	1,443,698	819,985	1,318,301	1,136,630
	<u>53,818,393</u>	<u>59,285,857</u>	<u>56,930,409</u>	<u>50,259,993</u>	<u>49,766,892</u>	<u>52,836,827</u>
	-	-	2,747,307	5,827,930	6,497,874	6,785,972
	6,679,897	6,188,909	5,977,903	4,406,590	4,886,533	4,623,670
	<u>130,392,101</u>	<u>138,413,754</u>	<u>138,103,077</u>	<u>135,311,166</u>	<u>132,890,295</u>	<u>142,671,028</u>
	4,011,436	4,348,417	4,320,056	4,406,054	4,514,124	4,661,737
\$	<u>134,403,537</u>	<u>\$ 142,762,171</u>	<u>\$ 139,675,826</u>	<u>\$ 139,717,220</u>	<u>\$ 137,404,419</u>	<u>\$ 147,332,765</u>
\$	827,452	\$ 716,533	\$ 1,655,641	\$ 1,905,524	\$ 1,859,361	\$ 1,973,568
	-	-	-	-	-	-
	45,904	39,125	90,403	104,048	101,527	107,763
	-	-	-	-	-	-
	63,338	-	-	-	-	-
	24,719	6,288	14,529	16,722	16,317	17,319
	-	-	-	-	-	-
	558,519	562,606	1,299,973	1,496,176	1,459,928	1,549,602
	12,656,371	14,717,024	14,227,794	11,690,893	12,814,379	13,735,085
	-	-	-	-	-	-
	<u>14,176,303</u>	<u>16,041,576</u>	<u>17,288,340</u>	<u>15,213,363</u>	<u>16,251,512</u>	<u>17,383,337</u>
	3,925,487	4,419,110	4,436,524	4,357,355	4,518,884	4,662,337
\$	<u>18,101,790</u>	<u>\$ 20,460,686</u>	<u>\$ 21,724,864</u>	<u>\$ 19,570,718</u>	<u>\$ 20,770,396</u>	<u>\$ 22,045,674</u>
\$	(116,215,798)	\$ (122,372,178)	\$ (118,067,431)	\$ (120,097,803)	\$ (116,638,783)	\$ (125,287,691)
	(85,949)	70,693	116,468	(48,699)	4,760	600
\$	<u>(116,301,747)</u>	<u>\$ (122,301,485)</u>	<u>\$ (117,950,963)</u>	<u>\$ (120,146,502)</u>	<u>\$ (116,634,023)</u>	<u>\$ (125,287,091)</u>

**Thompson School District R2-J**  
Schedule of Changes in Net Position  
Last Ten Years  
(Accrual basis of accounting)  
(Unaudited)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Revenues				
Governmental Activities:				
Property Taxes Levied For:				
General Purpose	\$ 24,432,966	\$ 25,704,275	\$ 26,228,693	\$ 28,363,669
Mill Levy Override	7,463,272	7,480,274	12,058,082	12,456,986
Debt Services	10,195,101	11,607,605	11,811,769	11,119,912
Specific Ownership Taxes Levied For:				
General Purpose	3,866,971	3,608,215	3,873,082	4,271,504
Mill Levy Override	784,202	843,186	705,116	687,375
Intergovernmental				
Equalization	53,573,154	54,738,055	57,847,052	59,874,117
Loveland URA Distribution	-	-	-	-
Payments in Lieu of Land Dedication	831,031	927,293	733,693	499,858
Interest and Investment Earnings	758,603	3,264,484	5,249,371	4,071,983
Grants and Contributions not Restricted to Specific Programs	-	-	-	-
Gain on Sale of Capital Asset	415,401	-	-	-
Miscellaneous	314,801	679,235	914,492	817,438
Transfers	-	-	-	-
Total Governmental Activities	<u>102,635,502</u>	<u>108,852,622</u>	<u>119,421,350</u>	<u>122,162,842</u>
Business-type Activities:				
Interest and Investment Earnings	1,468	3,171	4,587	4,258
Transfers	-	-	-	-
Total Business-type Activities	<u>1,468</u>	<u>3,171</u>	<u>4,587</u>	<u>4,258</u>
Total Primary Government	<u>\$ 102,636,970</u>	<u>\$ 108,855,793</u>	<u>\$ 119,425,937</u>	<u>\$ 122,167,099</u>
Change in Net Position				
Governmental Activities	\$ 5,595,020	\$ 10,069,218	\$ 16,141,972	\$ 5,948,079
Business-type Activities	1,276	111,021	14,045	(308,642)
Total Primary Government	<u>\$ 5,596,296</u>	<u>\$ 10,180,239</u>	<u>\$ 16,156,017</u>	<u>\$ 5,639,436</u>

The District adopted GASB 65 in 2014. Issuance costs have been restated as of June 30, 2013.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	30,242,965	\$ 30,378,658	\$ 29,728,007	\$ 28,679,943	\$ 29,221,467	\$ 29,370,651
	12,774,017	13,209,662	12,857,383	12,884,073	12,866,612	13,100,533
	11,265,715	12,053,521	12,532,757	12,335,606	10,312,144	10,427,594
	4,339,660	4,058,837	3,853,468	3,887,262	4,000,549	4,428,291
	-	-	-	-	-	-
	62,255,043	64,803,052	57,404,922	59,316,022	60,659,979	63,794,200
	-	-	-	-	-	207,316
	313,552	232,579	242,816	387,558	905,621	605,155
	1,175,751	317,332	107,407	72,712	138,978	113,478
	-	-	3,773,100	89,399	-	-
	-	-	-	-	-	-
	-	-	-	96,008	-	31,752
	-	(58,202)	(71,392)	-	-	(46,310)
	<u>122,366,703</u>	<u>124,995,439</u>	<u>120,428,468</u>	<u>117,748,583</u>	<u>118,105,350</u>	<u>122,032,661</u>
	1,584	592	598	627	173	322
	-	58,202	71,392	-	-	46,310
	<u>1,584</u>	<u>58,794</u>	<u>71,990</u>	<u>627</u>	<u>173</u>	<u>46,632</u>
\$	<u>122,368,287</u>	<u>125,054,233</u>	<u>120,500,458</u>	<u>117,749,210</u>	<u>118,105,523</u>	<u>122,079,293</u>
\$	5,848,079	\$ 2,623,261	\$ 2,361,037	\$ (2,349,220)	\$ 1,466,567	\$ (3,255,030)
	218,461	129,487	188,458	(48,072)	4,933	47,232
\$	<u>6,066,540</u>	<u>2,752,748</u>	<u>2,549,495</u>	<u>(2,397,292)</u>	<u>1,471,500</u>	<u>(3,207,798)</u>

**Thompson School District R2-J**  
 Schedule of Fund Balances, Governmental Funds  
 Last Ten Years  
 (Modified accrual accounting)  
 (Unaudited)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund				
Restricted	\$ 4,230,904	\$ 3,644,088	\$ 3,599,242	\$ 4,517,882
Unassigned	<u>8,375,509</u>	<u>10,311,178</u>	<u>17,783,886</u>	<u>18,808,539</u>
Total General Fund	<u>12,606,413</u>	<u>13,955,266</u>	<u>21,383,128</u>	<u>23,326,421</u>
All Other Governmental Funds				
Restricted	15,881,936	106,197,107	79,919,801	52,872,901
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>1,719,568</u>	<u>1,899,136</u>	<u>2,710,309</u>	<u>2,975,899</u>
Total All Other Governmental Funds	<u>17,601,504</u>	<u>108,096,243</u>	<u>82,630,110</u>	<u>55,848,800</u>
Total Governmental Funds	<u>\$ 30,207,917</u>	<u>\$ 122,051,509</u>	<u>\$ 104,013,238</u>	<u>\$ 79,175,221</u>

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	4,821,889	\$ 4,727,990	\$ 4,757,546	\$ 4,341,296	\$ 3,915,124	\$ 3,864,166
	<u>19,294,606</u>	<u>20,530,456</u>	<u>24,969,474</u>	<u>24,277,466</u>	<u>25,903,813</u>	<u>22,451,258</u>
	<u>24,116,495</u>	<u>25,258,446</u>	<u>29,727,020</u>	<u>28,618,762</u>	<u>29,818,937</u>	<u>26,315,424</u>
	33,834,519	20,842,333	18,416,837	17,371,971	15,919,938	16,891,756
	-	-	-	1,359,266	1,395,017	1,433,645
	-	-	3,015,162	1,991,507	2,041,795	187,280
	<u>3,255,332</u>	<u>3,600,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,877,154</u>
	<u>37,089,851</u>	<u>24,442,987</u>	<u>21,431,999</u>	<u>20,722,744</u>	<u>19,356,750</u>	<u>20,389,835</u>
\$	<u>61,206,346</u>	<u>49,701,433</u>	<u>51,159,019</u>	<u>49,341,506</u>	<u>49,175,687</u>	<u>46,705,259</u>

**Thompson School District R2-J**

Schedule of Changes in Fund Balances, Governmental Funds

Last Ten Years

(Modified accrual accounting)

(Unaudited)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Revenues</b>				
Taxes	\$ 47,881,408	\$ 49,085,270	\$ 54,301,144	\$ 56,727,661
Intergovernmental	62,832,803	64,307,404	69,298,311	70,640,991
Investment Earnings	757,768	3,262,834	5,249,371	4,071,983
Incremental Taxes	-	-	-	-
Other	3,041,789	3,608,178	2,910,865	2,631,068
<b>Total Revenues</b>	<u>114,513,768</u>	<u>120,263,686</u>	<u>131,759,691</u>	<u>134,071,703</u>
<b>Expenditures</b>				
Current:				
Instruction				
Salaries and Benefits	55,316,035	54,622,983	55,096,973	59,207,799
Purchased Services	2,221,777	2,182,801	2,230,932	2,062,371
Supplies and Materials	3,122,051	2,746,923	3,161,315	3,312,954
Other Expenditures	122,580	132,878	126,311	133,708
Supporting Services				
Pupil Services	6,761,203	7,021,698	7,349,203	8,477,310
Instructional Staff	7,444,139	7,564,297	7,712,504	10,230,511
General Administration	896,903	925,216	1,081,439	1,179,122
School Administration	6,680,383	6,827,099	6,795,081	7,825,018
Business Services	2,709,954	2,244,847	1,674,017	1,750,356
Maintenance/Operations	10,080,023	11,697,226	23,696,567	20,064,310
Pupil Transportation	3,041,299	3,437,655	3,149,984	3,935,390
Central Supporting Services	2,542,102	2,824,053	3,637,045	3,874,845
Community Services	1,112,527	1,175,910	650,149	737,782
Capital Projects	882,134	8,064,632	18,386,234	21,550,163
Charter School Allocation	-	-	1,868,346	2,257,196
Debt Service:				
Principal	10,225,047	5,668,988	5,787,500	6,115,104
Interest	2,495,545	4,539,810	6,519,762	6,195,782
Bond Issuance Costs	258,618	982,798	-	-
<b>Total Expenditures</b>	<u>115,912,320</u>	<u>122,659,814</u>	<u>148,923,362</u>	<u>158,909,721</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(1,398,552)</u>	<u>(2,396,128)</u>	<u>(17,163,671)</u>	<u>(24,838,018)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Capital Lease	-	-	-	-
Proceeds from Bond Issuance	22,215,000	89,215,000	-	-
Premium on Bond Issuance	1,320,212	5,024,720	-	-
Payment to Escrow Agent	(23,276,594)	-	-	-
Proceeds from Sale of Capital Assets	415,401	-	-	-
Transfers In	9,332,428	10,177,062	10,044,571	10,256,580
Transfers Out	(9,332,428)	(10,177,062)	(10,044,571)	(10,256,580)
<b>Total Other Financing Sources (Uses)</b>	<u>674,019</u>	<u>94,239,720</u>	<u>-</u>	<u>-</u>
<b>Net Change to Fund Balance</b>	<u>\$ (724,533)</u>	<u>\$ 91,843,592</u>	<u>\$ (17,163,671)</u>	<u>\$ (24,838,018)</u>
Debt Service as a Percentage of				
Non-Capital Expenditures	11.06%	8.91%	9.43%	8.96%

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	57,546,346	\$ 58,780,951	\$ 60,845,170	\$ 58,666,107	\$ 56,719,581	\$ 57,669,288
	73,912,330	78,751,910	76,473,714	73,941,932	75,120,012	79,274,256
	1,175,751	317,332	107,407	72,712	138,978	113,478
	-	-	-	-	-	207,316
	<u>2,832,568</u>	<u>1,574,546</u>	<u>1,779,721</u>	<u>2,034,322</u>	<u>2,697,100</u>	<u>2,545,889</u>
	<u>135,466,995</u>	<u>139,424,739</u>	<u>139,206,012</u>	<u>134,715,073</u>	<u>134,675,671</u>	<u>139,810,227</u>
	61,456,412	63,192,919	63,024,849	62,616,552	62,400,347	66,976,839
	1,830,410	2,264,059	1,761,663	1,876,173	1,566,029	1,726,524
	3,295,393	3,194,067	2,523,932	1,995,802	2,440,673	2,902,770
	128,767	125,206	141,885	92,869	141,427	80,687
	8,532,676	10,469,008	9,135,938	8,267,519	8,641,673	9,008,392
	10,426,810	11,516,102	10,568,331	10,512,500	9,464,893	10,862,474
	1,055,759	1,057,750	1,040,479	1,282,987	796,543	691,508
	7,927,542	8,459,745	8,095,652	7,718,718	7,672,001	8,245,479
	2,243,707	3,520,988	2,156,866	1,915,333	1,890,438	1,927,179
	17,325,065	10,809,066	12,368,434	11,759,472	11,447,332	11,929,777
	4,060,367	4,557,453	4,331,921	3,737,798	3,652,732	4,185,317
	3,754,589	3,485,465	3,102,498	3,521,225	3,159,276	3,174,618
	773,917	859,246	1,348,044	820,684	1,317,129	1,135,716
	16,014,388	13,015,598	2,544,904	1,864,946	969,874	1,817,897
	2,722,161	2,764,792	2,747,307	5,827,930	6,497,874	6,785,972
	5,933,065	6,231,399	3,761,316	3,610,684	3,855,927	6,053,819
	5,954,842	5,406,789	9,094,407	8,053,027	8,927,322	4,775,687
	-	-	-	740,029	-	-
	<u>153,435,869</u>	<u>150,929,652</u>	<u>137,748,426</u>	<u>136,214,248</u>	<u>134,841,490</u>	<u>142,280,655</u>
	<u>(17,968,874)</u>	<u>(11,504,913)</u>	<u>1,457,586</u>	<u>(1,499,175)</u>	<u>(165,819)</u>	<u>(2,470,428)</u>
	-	-	-	-	-	-
	-	-	-	84,740,000	-	-
	-	-	-	14,761,217	-	-
	-	-	-	(99,819,555)	-	-
	-	-	-	-	-	-
	9,386,336	9,024,938	4,234,946	2,643,417	2,040,762	3,092,110
	<u>(9,386,336)</u>	<u>(9,024,938)</u>	<u>(4,234,946)</u>	<u>(2,643,417)</u>	<u>(2,040,762)</u>	<u>(3,092,110)</u>
	-	-	-	(318,338)	-	-
\$	<u><u>(17,968,874)</u></u>	<u><u>(11,504,913)</u></u>	<u><u>1,457,586</u></u>	<u><u>(1,817,513)</u></u>	<u><u>(165,819)</u></u>	<u><u>(2,470,428)</u></u>
	8.65%	8.44%	9.55%	8.65%	9.54%	7.67%



**Thompson School District R2-J**

Assessed Value and Estimated Value of Taxable Property

(Unaudited)

<b>Year Ended December 31</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Vacant Land</b>	<b>Industrial Property</b>	<b>Utilities</b>	<b>Agricultural</b>
2004	599,429,990	239,050,020	84,802,140	59,113,060	24,549,400	6,478,810
2005	652,786,230	277,978,620	98,697,430	53,125,900	26,528,210	6,546,190
2006	690,430,260	322,259,160	95,353,790	51,041,080	26,180,030	6,594,260
2007	717,213,100	406,573,380	123,795,910	48,864,810	30,160,658	7,197,560
2008	735,048,280	447,662,950	130,864,530	49,900,360	30,908,520	7,141,370
2009	730,081,200	484,216,470	127,303,730	52,167,820	31,828,070	7,285,250
2010	736,192,250	487,165,730	114,140,990	57,292,650	32,667,099	7,550,590
2011	714,094,295	474,059,605	81,454,515	53,399,467	34,906,273	8,034,497
2012	727,146,373	471,328,711	75,694,525	53,744,013	35,577,342	8,268,596
2013	752,165,439	470,234,566	68,000,485	56,548,570	39,505,346	8,968,739

From 2004 to 2013, commercial real property, undeveloped land, personal property and utilities were assessed at 29% of replacement cost calculated on the base year's appraised value.

Residential real property was assessed as follows:

	<b>Assessment Percentage</b>	<b>Base Year</b>
2004	7.96%	2003 appraised value
2005	7.96%	2003 appraised value
2006	7.96%	2005 appraised value
2007	7.96%	2005 appraised value
2008	7.96%	2007 appraised value
2009	7.96%	2007 appraised value
2010	7.96%	2009 appraised value
2011	7.96%	2009 appraised value
2012	7.96%	2011 appraised value
2013	7.96%	2011 appraised value

Sources: Larimer County Assessor's Office, Weld County Assessor's Office and Boulder County Assessor's Office

Note: All residential and commercial real properties are reappraised every two years in the odd year cycle bringing properties to the current market level of valuation. The residential assess rate is set by the Legislature and coincides with changes in the level of value. This is constitutionally required and designed to stabilize the tax burden on residential property. Colorado State Statutes and Constitution limit the annual increase in ad valorem tax yield over the previous year and prohibit any increase in the mill levy, except upon the favorable approval of the electorate. At an election held on November 2, 1999, Larimer County voters approved a measure exempting the County from any revenue or property tax increase limitation; however, tax rates cannot be increased.

<u>Natural Resources</u>	<u>Oil and Gas</u>	<u>Total Taxable Assessed Value</u>	<u>Tax Exempt Property</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
1,261,740	1,174,462	1,015,859,622	197,930,710	42.687	8,964,183,608	11.33%
1,400,910	1,447,788	1,118,511,278	206,522,410	40.250	9,803,854,973	11.41%
1,323,400	1,712,537	1,194,894,517	229,780,950	43.457	10,409,841,936	11.48%
1,591,450	1,640,562	1,337,037,430	282,075,010	41.657	11,144,290,321	12.00%
1,579,880	2,786,440	1,405,892,330	290,974,250	40.974	11,465,943,746	12.26%
1,319,520	7,941,312	1,442,143,372	278,112,430	41.295	11,609,898,993	12.42%
1,192,810	5,070,260	1,441,272,379	283,483,550	41.643	11,669,308,699	12.35%
1,271,515	8,669,615	1,375,889,782	287,307,276	42.310	11,237,179,643	12.24%
1,252,765	14,066,512	1,387,078,837	288,372,057	40.884	11,380,383,646	12.19%
1,244,815	12,554,610	1,409,222,570	301,018,386	40.416	11,688,512,847	12.06%

**Thompson School District R2-J**

Property Tax Rates

Direct and Overlapping Governments (per \$1,000 of Assessed Value)  
Last Ten Fiscal Years (Unaudited)

Last Year Collection Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
School District											
General Fund	25.304	22.985	22.523	22.558	22.472	22.456	22.767	22.637	22.861	22.567	
Mill Levy Override	7.383	6.755	10.636	10.078	9.834	9.719	9.72	10.018	9.969	9.87	
Debt Services	10.000	10.510	10.298	9.021	8.668	9.120	9.156	9.655	8.054	7.979	
School District Total	42.687	40.250	43.457	41.657	40.974	41.295	41.643	42.310	40.884	40.416	
Larimer County	22.659	22.683	22.552	22.556	22.537	22.577	22.666	22.614	22.662	22.566	
Town of Berthoud	6.409	6.664	10.735	11.551	9.162	9.630	9.737	9.720	9.717	9.655	
City of Fort Collins	-	9.797	9.797	9.797	9.797	9.797	9.797	9.797	9.797	9.797	
City of Loveland	9.564	9.564	9.564	9.564	9.564	9.564	9.564	9.564	9.564	9.564	
Town of Windsor	-	12.030	12.030	12.030	12.030	12.030	12.030	12.030	12.030	12.030	
Town of Johnstown	-	23.9347	23.947	23.947	23.947	23.947	23.947	23.947	23.947	23.947	
Johnstown Fire Protection District	-	-	8.796	9.478	9.524	9.464	9.517	9.486	9.468	9.470	
Berthoud Fire Protection District	15.274	15.274	15.274	15.274	15.274	15.274	15.274	15.274	15.274	15.274	
Loveland Fire District	5.808	5.808	5.808	5.808	5.808	5.808	5.939	5.808	8.781	8.727	
Poudre Valley Fire District	-	9.301	9.301	9.301	9.301	9.301	10.595	10.595	10.595	10.595	
Windsor-Severance Fire District	-	4.944	4.944	4.944	6.119	6.684	7.894	7.904	7.964	7.923	
Lyons Fire District	-	7.148	7.193	7.196	5.531	6.325	8.325	7.435	7.680	7.980	
Pinewood Lake Fire District	-	6.446	5.944	6.373	6.373	6.271	6.271	6.271	6.271	6.271	
Health District of Northern Larimer Co.	-	2.167	2.167	2.167	2.167	2.167	2.167	2.167	2.167	2.167	
Thompson Valley Health Services District	1.519	1.509	1.492	1.471	1.716	2.093	1.899	1.716	1.757	1.766	
Larimer County P.I.D. No. 27	-	-	56.695	55.946	55.946	56.844	56.844	6.379	6.379	6.315	
Larimer County P.I.D. No. 35	-	-	104.222	29.208	29.208	7.082	7.044	6.439	6.462	6.076	
Larimer County P.I.D. No. 36	-	-	13.485	13.580	13.580	13.580	13.580	13.580	13.580	13.580	
Larimer County G.I.D. No. 8 Namaqua Hill	-	-	8.145	8.382	8.382	8.382	8.382	8.382	8.382	8.382	
Loveland General Improvement District	2.684	2.684	2.684	2.684	2.676	2.684	2.684	2.684	2.684	2.684	
Estes Valley Recreation and Park	-	1.331	1.472	1.404	2.393	2.311	2.339	2.425	2.438	2.557	
South Fort Collins Sanitation District	-	-	0.500	0.500	0.487	0.500	0.500	0.500	0.500	0.500	
Fort Collins - Loveland Water District	-	-	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	
Poudre River Public Library District	-	-	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.013	
North Carter Lake Water District	-	-	10.756	10.225	10.750	8.783	9.400	10.000	10.200	10.200	
No. Colorado Water Conservancy District	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Spring Canyon Water and Sanitation	-	2.966	3.118	3.000	3.050	2.811	2.853	3.229	3.341	3.311	
Thompson Crossing Metropolitan No. 2	-	-	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	
Van De Water Metropolitan District No. 2	-	45.980	45.980	45.980	45.980	45.980	45.980	45.980	45.980	45.980	
Van De Water Metropolitan District No. 3	-	-	45.980	40.000	40.000	40.000	40.000	40.000	40.000	40.000	
Windsor Highlands Metropolitan No. 3	-	30.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	
Windsor Highlands Metropolitan No. 4	-	-	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	
Centerra Metropolitan District No. 2	-	35.000	35.000	52.600	42.600	42.600	42.600	42.600	42.600	42.600	
Waterfront Metropolitan District	-	45.979	45.979	45.979	45.979	45.979	45.979	45.979	45.979	46.000	
Lincoln Place Metropolitan District	55.000	55.000	50.000	-	-	-	-	-	-	-	
Loveland Midtown Metropolitan No. 1	-	-	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	
Larimer County P.I.D. No. 31	-	-	137.932	121.967	31.384	24.314	24.192	12.128	12.118	11.920	
Thompson Crossing Metropolitan No. 4	-	-	76.000	60.000	60.000	60.000	60.000	72.475	72.475	72.475	
Highpointe Vista Metropolitan No. 2	-	-	26.000	32.000	35.000	35.000	35.000	35.000	35.000	35.000	
Deer Meadows Metropolitan District	-	-	40.000	45.000	45.000	60.000	60.000	60.000	60.000	60.000	
Thompson Rivers Park & Rec. District	-	-	3.594	3.594	3.594	3.594	3.594	3.594	3.594	3.594	
Thompson Crossing Metropolitan No. 3	-	-	-	60.000	60.000	60.000	60.000	72.475	72.475	72.475	
Thompson Crossing Metropolitan No. 5	-	-	-	60.000	60.000	60.000	60.000	72.475	72.475	72.475	
Thompson Crossing Metropolitan No. 6	-	-	-	60.000	60.000	60.000	60.000	72.475	72.475	72.475	
Johnstown North Metropolitan No. 1	-	-	-	20.000	25.000	25.000	25.000	25.000	-	-	
Johnstown North Metropolitan No. 2	-	-	-	20.000	25.000	25.000	25.000	25.000	25.000	25.000	
Johnstown North Metropolitan No. 3	-	-	-	20.000	25.000	25.000	25.000	25.000	25.000	25.000	
Centerra Metropolitan District No. 2 Bond	-	-	-	-	6.655	6.655	6.655	6.550	6.655	6.655	
Centerra Metropolitan District No. 3	-	-	-	-	5.000	5.000	5.000	5.000	5.000	5.000	
Windsor Highlands Metropolitan No. 1	-	-	-	-	30.000	30.000	30.000	30.000	30.000	30.000	
Windsor Highlands Metropolitan No. 2	-	-	-	-	35.000	35.000	35.000	35.000	35.000	35.000	
Windsor Highlands Metropolitan No. 5	-	-	-	-	35.000	35.000	35.000	35.000	35.000	35.000	
Berthoud Community Library	-	-	-	-	2.400	2.400	2.400	2.400	2.400	2.400	
Larimer County P.I.D. No. 39	-	-	-	-	-	-	9.988	9.988	9.988	9.988	
Larimer County P.I.D. No. 49	-	-	-	-	-	-	16.762	16.762	16.762	16.762	
Centerra Metropolitan District No. Res Debt	-	-	-	-	-	-	35.000	35.000	35.000	35.000	
Centerra Metropolitan District No. 5	-	-	-	-	-	-	15.000	15.000	15.000	15.000	
Lakewiew Metropolitan District	-	-	-	-	-	-	50.000	60.000	60.000	60.000	
Waterfall Metropolitan District No. 1	-	-	-	-	-	-	22.500	45.000	45.000	45.000	
Windsor Highlands Metropolitan No. 6	-	-	-	-	-	-	35.000	35.000	35.000	35.000	
Larimer County P.I.D. No. 44	-	-	-	-	-	-	-	-	79.537	79.537	
Larimer County P.I.D. No. 53	-	-	-	-	-	-	-	-	35.058	35.058	
Larimer County P.I.D. No. 45	-	-	-	-	-	-	-	-	-	44.017	
Larimer County P.I.D. No. 55	-	-	-	-	-	-	-	-	-	20.000	
Larimer County P.I.D. No. 56	-	-	-	-	-	-	-	-	-	112.215	
Prairiestar Metropolitan District No. 1	-	-	-	-	-	-	-	-	-	45.000	
Prairiestar Metropolitan District No. 2	-	-	-	-	-	-	-	-	-	45.000	

**Thompson School District R2-J**  
Principal Taxpayers  
Current Year and Nine Years Ago  
**(Unaudited)**

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
G and I VI Promenade LLC	\$ 20,735,000	1	1.58%	\$ -		-
Wal-Mart Stores East, LP	19,003,760	2	1.45%	13,603,100	1	1.34%
Public Service Company of Colorado	14,065,800	3	1.07%	2,700,000	10	0.27%
Centerra	11,020,000	4	0.84%			-
Qwest Corporation	10,097,200	5	0.77%	6,968,500	4	0.69%
HR Assets LLC	7,696,170	6	0.59%			-
John Q. Hammons Hotels	6,960,000	7	0.53%			-
Craig Realty Group-Loveland, LLC	5,301,640	8	0.40%			-
Crop Production Services, Incorporated	5,136,010	9	0.39%			-
Praxair Incorporated	5,032,930	10	0.38%			-
Agilent Technologies, Incorporated	-		-	13,428,800	2	1.32%
TGS Realty Inc.	-		-	8,018,500	3	0.79%
Teledyne Industries	-		-	5,100,000	5	0.50%
Woodward Governor Company	-		-	3,625,800	6	0.36%
Orchard Shopping Center Partnership	-		-	3,231,000	7	0.32%
Taft Carlise, LLC	-		-	2,980,600	8	0.29%
Comcast Cablevision	-		-	2,879,300	9	0.28%
	<u>\$ 105,048,510</u>		<u>8.01%</u>	<u>\$ 62,535,600</u>		<u>6.16%</u>
Total assessed valuation	<u>\$ 1,311,008,455</u>			<u>\$ 1,015,859,622</u>		

Sources: Larimer County Assessor's Office, Weld County Assessor's Office and Boulder County Assessor's Office

**Thompson School District R2-J**  
Property Tax Levies and Collections  
Last Ten Years  
(Unaudited)

Assessment Year	Year Ended June 30	Taxes Levied for the Year	Collected within the Year of the Levy		Delinquent Tax Collections	Total Collection to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2004	2005	43,364,000	40,824,746	94.1%	2,405,489	43,230,235	99.7%
2005	2006	44,687,055	42,349,495	94.8%	2,284,374	44,633,869	99.9%
2006	2007	50,247,390	45,011,862	89.6%	4,711,084	49,722,946	99.0%
2007	2008	52,699,335	49,269,711	93.5%	2,499,071	51,768,782	98.2%
2008	2009	54,064,757	49,664,648	91.9%	3,542,038	53,206,686	98.4%
2009	2010	55,613,207	50,735,191	91.2%	3,986,923	54,722,114	98.4%
2010	2011	56,072,249	52,371,429	93.4%	4,620,273	56,991,702	101.6%
2011	2012	54,072,711	51,303,145	94.9%	3,475,700	54,778,845	101.3%
2012	2013	52,692,995	50,029,889	94.9%	2,689,143	52,719,032	100.0%
2013	2014	52,985,717	51,118,305	96.5%	2,122,692	53,240,997	100.5%

Sources: Larimer County Assessor's Office, Weld County Assessor's Office and Boulder County Assessor's Office

**Thompson School District R2-J**  
Ratios of Outstanding Debt by Type (Governmental Only)  
Last Ten Years  
(Unaudited)

Year	General Obligation Bonds	Certificate of Participation Bonds	Capital Leases	Total Government	Percentage of Personal Income (1)	Per Capita (1)
2005	61,802,167	4,325,000	2,162,357	68,289,524	3.62%	1,136
2006	151,323,193	4,160,000	1,768,368	157,251,561	7.99%	2,540
2007	146,254,499	3,990,000	1,605,869	151,850,368	7.20%	2,369
2008	140,947,293	3,815,000	1,435,765	146,198,058	6.48%	2,222
2009	135,763,598	3,635,000	1,257,700	140,656,298	5.87%	2,171
2010	130,637,310	3,450,000	1,071,301	135,158,611	5.48%	2,054
2011	124,096,273	3,260,000	876,179	128,232,452	5.15%	1,925
2012	116,326,723	3,060,000	671,925	120,058,648	4.69%	1,776
2013	120,997,488	2,860,000	458,112	124,315,600	4.54%	1,807
2014	114,058,728	2,650,000	234,293	116,943,021	3.89%	1,606

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financials Statements.

(1) See the Demographic page in the Statistical Section for personal income and population data.

The District adopted GASB 65 in 2014.

**Thompson School District R2-J**  
Ratio of Gross General Bonded Debt to Assessed Value and Gross Bonded Debt per Capita  
Last Ten Fiscal Years  
(Unaudited)

<b>Year</b>	<b>Gross Bonded Debt</b>	<b>Debt Service Funds Available</b>	<b>Net Bonded Debt</b>	<b>Ratio of Gross Bonded Due to Assessed Value (1)</b>	<b>Gross Bonded Debt per Capita</b>
2005	61,802,167	9,885,779	51,916,388	6.08%	1,028
2006	151,323,193	12,481,416	138,841,777	13.63%	2,445
2007	146,254,499	12,939,805	133,314,694	12.65%	2,282
2008	140,947,293	12,481,784	128,465,509	11.14%	2,142
2009	135,763,598	12,465,223	123,298,375	10.29%	2,095
2010	130,637,310	13,488,987	117,148,323	9.70%	1,985
2011	124,096,273	13,767,050	110,329,223	9.22%	1,863
2012	116,326,723	14,116,172	102,210,551	9.10%	1,721
2013	120,997,488	12,351,178	108,646,310	9.39%	1,759
2014	114,058,728	12,611,056	101,447,672	8.70%	1,567

Sources: Larimer County Assessor's Office, Weld County Assessor's Office and Boulder County Assessor's Office

(1) Assessed Value is \$1,311,008,455 for 2013.

**Thompson School District R2-J**  
 Computation of Direct and Overlapping Bonded Debt  
 General Obligation Bonds  
 June 30, 2014  
 (Unaudited)

	<u>General Obligation Long-Term Debt Outstanding</u>	<u>Percent Applicable to the District (1)</u>	<u>Net Direct and Overlapping Debt</u>
<b>Direct Debt:</b>			
Thompson School District R2-J	\$ <u>116,943,021</u>	100.00%	\$ <u>116,943,021</u>
<b>Overlapping Debt:</b>			
Town of Berthoud	14,938,168	100.00%	14,938,168
Berthoud Fire District	<u>633,900</u>	31.43%	<u>199,235</u>
Total Overlapping Debt	15,572,068		15,137,403
Total	\$ <u><u>132,515,089</u></u>		\$ <u><u>132,080,424</u></u>

(1) Determined by calculating ratio of assessed valuation of taxable property within the District to assessed valuation of the overlapping unit.



**Thompson School District R2-J**  
**Computation of Legal Debt Margin**  
**June 30, 2014**  
**Last Ten Years**  
**(Unaudited)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assessed value	\$ <u>1,015,859,622</u>	\$ <u>1,110,237,368</u>	\$ <u>1,156,255,387</u>	\$ <u>1,265,077,530</u>	\$ <u>1,319,489,370</u>	\$ <u>1,346,729,792</u>	\$ <u>1,346,498,784</u>	\$ <u>1,278,012,549</u>	\$ <u>1,288,846,309</u>	\$ <u>1,311,008,455</u>
Debt limit (20% of assessed valuation)	\$ 203,171,924	\$ 222,047,474	\$ 231,251,077	\$ 253,015,506	\$ 263,897,874	\$ 269,345,958	\$ 269,299,757	\$ 255,602,510	\$ 257,769,262	\$ 262,201,691
Total net debt applicable to limit	<u>61,802,167</u>	<u>151,323,193</u>	<u>146,254,499</u>	<u>140,947,293</u>	<u>135,763,598</u>	<u>130,637,310</u>	<u>124,096,273</u>	<u>116,326,723</u>	<u>120,997,488</u>	<u>114,058,728</u>
Legal debt margin	\$ <u>141,369,757</u>	\$ <u>70,724,281</u>	\$ <u>84,996,578</u>	\$ <u>112,068,213</u>	\$ <u>128,134,276</u>	\$ <u>138,708,648</u>	\$ <u>145,203,484</u>	\$ <u>139,275,787</u>	\$ <u>136,771,774</u>	\$ <u>148,142,963</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>30.42%</u>	<u>68.15%</u>	<u>63.24%</u>	<u>55.71%</u>	<u>51.45%</u>	<u>48.50%</u>	<u>46.08%</u>	<u>45.51%</u>	<u>46.94%</u>	<u>43.50%</u>

Note:  
Under state finance law, the outstanding general obligation debt should not exceed 20 percent of total assessed property value.

Sources: Larimer County Assessor's Office, Weld County Assessor's Office and Boulder County Assessor's Office  
District Financial Records

**Thompson School District R2-J**  
Principal Employers  
Current and Nine Years Ago  
(Unaudited)

Employer	2013			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Thompson School District R2-J	2,290	1	5.53%	2,010	2	6.77%
City of Loveland	958	2	2.31%	681	6	2.30%
Wal-Mart Distribution Center	950	3	2.30%	909	4	3.06%
Hach Company	800	4	1.93%	550	9	1.85%
McKee Medical Center	708	5	1.71%	950	3	3.20%
Medical Center of the Rockies	636	6	1.54%			
Woodward Governor	500	7	1.21%	650	7	2.19%
Agrium/Crop Production Services	472	8	1.14%			
Kroll Factual Data	350	9	0.85%			
Agilent Technologies	300	10	0.72%	2,454	1	8.27%
Wal-Mart Super Center				500	10	1.69%
Hewlett-Packard				730	5	2.46%
Teledyne Water Pik				585	8	1.97%
<b>Total</b>	<b>7,964</b>		<b>19.24%</b>	<b>10,019</b>		<b>33.77%</b>
<b>Total City Employment</b>	<b>41,391</b>			<b>29,668</b>		

Sources: City of Loveland December 31, 2013 Comprehensive Annual Financial Report  
District Financial Records

**Thompson School District R2-J**  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
**(Unaudited)**

<b>Fiscal Year</b>	<b>Population</b> <i>(thousands)</i>	<b>Personal</b> <b>Income</b> <i>(millions)</i>	<b>County</b> <b>Per Capita</b> <b>Income (b)</b> <i>(thousands)</i>	<b>Median</b> <b>Age</b>	<b>Unemployment</b> <b>Percentage (a)</b>
2004	60.1	1,887.10	31.4	34.4	4.7
2005	61.9	1,968.40	31.8	36.0	4.5
2006	64.1	2,108.90	32.9	33.9	3.9
2007	65.8	2,256.90	34.3	33.2	3.4
2008	64.8	2,394.75	37.0	35.9	4.2
2009	65.8	2,466.25	37.5	36.9	7.1
2010	66.6	2,487.66	37.4	36.9	7.4
2011	67.6	2,557.54	37.8	35.3	6.9
2012	68.8	2,736.96	39.8	38.7	6.4
2013	72.8	3,009.34	41.3	38.1	5.5

Note: The Unemployment Percentage for 2008 was unavailable at the time of 2008 CAFR publication, so the most recent figure at the time (2007; 3.4%) was used. This data has now been updated to the subsequently documented 2008 figure of 4.2%.

- (a) Metropolitan Statistical Area of Fort Collins/Loveland, separate City statistics not available
- (b) Larimer County, separate City statistics not available

Source: City of Loveland December 31, 2013 Comprehensive Annual Financial Report

**Thompson School District R2-J**  
Number of Employees by Function  
June 30, 2013  
(Unaudited)

<u>Employees: (Full and Part Time Positions)</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Administration										
Instructional Central Office Administrators	10	10	12	12	12	9	11	10	8	8
Principals & Asst. Principals	45	45	42	46	47	49	47	45	45	47
Support Central Office Administrators	10	10	11	11	11	12	11	10	9	9
Teaching Staff										
Teachers	1,015	985	995	1024	1031	1037	972	906	895	939
Substitute Teachers	380	350	304	375	254	408	438	391	484	491
Guidance Counselors	45	40	45	43	44	43	39	37	36	35
Media Specialist	10	10	9	9	9	9	9	9	9	7
Teacher Aides	170	180	198	187	195	212	166	172	175	193
Support Services										
Nurses, Psychologists, and Social Workers	30	30	35	31	35	32	30	29	31	32
Pupil Transportation	115	125	112	118	125	128	114	99	99	99
Personnel Services	10	10	9	12	12	11	9	9	9	9
Operations and Maintenance	150	155	153	160	173	164	162	156	145	149
Fiscal Services and Data Processing	10	10	9	15	14	16	16	16	14	14
School Building Clerical	140	140	130	141	147	148	137	125	119	123
Other Professional Support Staff	145	130	122	152	152	156	134	124	121	128
Other Clerical Support	35	30	31	31	30	31	26	22	19	19
Food Services	115	115	105	112	117	115	86	74	72	73
<b>Total</b>	<b>2,435</b>	<b>2,375</b>	<b>2,322</b>	<b>2,479</b>	<b>2,408</b>	<b>2,580</b>	<b>2,407</b>	<b>2,234</b>	<b>2,290</b>	<b>2,375</b>

Source: Thompson School District Human Resources Department

**Thompson School District R2-J**  
 Operating Indicators  
 June 30, 2014  
 (Unaudited)

		<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Funding per Student	\$ \$	5,721	\$ 5,798	\$ 5,988	\$ 6,279	\$ 6,530	\$ 6,714	\$ 6,461	\$ 6,140	\$ 6,145	\$ 6,308
Funded Pupil Count		<u>14,352.5</u>	<u>14,304.6</u>	<u>14,402.0</u>	<u>14,419.5</u>	<u>14,486.4</u>	<u>14,491.7</u>	<u>14,469.9</u>	<u>14,672.9</u>	<u>14,903.3</u>	<u>15,115.6</u>
Total Funding per School Finance Act	\$ \$	<u><u>82,110,653</u></u>	<u><u>82,938,071</u></u>	<u><u>86,239,176</u></u>	<u><u>90,540,041</u></u>	<u><u>94,596,192</u></u>	<u><u>97,297,274</u></u>	<u><u>93,490,024</u></u>	<u><u>90,091,606</u></u>	<u><u>91,580,779</u></u>	<u><u>95,349,205</u></u>

Source: Thompson School District Finance Department



**Thompson School District R2-J**  
 School Building Information  
 June 30, 2014  
 (Unaudited)

<u>Schools</u>	<u>Sq. Ft.</u>	<u>Capacity</u>	<u>Enrollment History by Fiscal Year</u>					
			<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Elementary Schools								
Berthoud	50,050	480	397	380	378	432	419	441
BF Kitchen	33,800	280	214	223	217	250	215	206
Big Thompson	29,100	255	184	171	185	206	183	176
Carrie Martin	33,350	280	245	270	281	304	317	341
Centennial	57,750	530	462	403	399	417	417	396
Cottonwood Plains	57,400	530	408	413	416	426	433	448
Coyote Ridge	58,300	375	361	374	341	347	295	274
Garfield	34,900	300	267	275	276	258	294	286
Ivy Stockwell	36,050	355	323	307	317	334	334	325
Laurene Edmondson	32,650	280	250	246	211	227	246	244
Lincoln	40,500	355	220	220	223	249	366	366
Mary Blair	49,150	480	389	405	435	423	487	484
Monroe	51,050	505	305	333	330	305	352	385
Namaqua	51,550	505	367	380	372	396	481	484
Ponderosa	71,500	550	462	457	431	370	-	-
Sarah Milner	36,700	405	336	338	307	312	328	334
Stansberry	31,800	280	207	213	223	243	253	244
Truscott	45,700	330	265	261	281	302	284	272
Van Buren	32,800	300	197	202	199	212	274	258
Winona	65,500	550	466	433	418	440	435	413
Middle Schools								
Bill Reed	146,500	900	695	701	660	650	618	621
Conrad Ball	96,100	810	659	660	642	646	621	640
Lucile Erwin	115,500	900	888	888	850	874	854	882
Turner	72,750	770	460	449	465	407	421	413
Walt Clark	96,850	900	477	508	530	574	586	643
High Schools								
Berthoud	143,100	990	678	646	623	626	623	641
Ferguson	43,000	185	120	112	131	138	125	105
Loveland	211,250	1,500	1,521	1,490	1,517	1,553	1,641	1,689
Mountain View	252,300	1,475	1,208	1,127	1,118	1,103	1,081	1,107
Thompson Valley	218,000	1,475	1,238	1,278	1,328	1,330	1,364	1,436
Totals	<u>2,294,950</u>	<u>17,830</u>	<u>14,269</u>	<u>14,163</u>	<u>14,104</u>	<u>14,354</u>	<u>14,347</u>	<u>14,554</u>

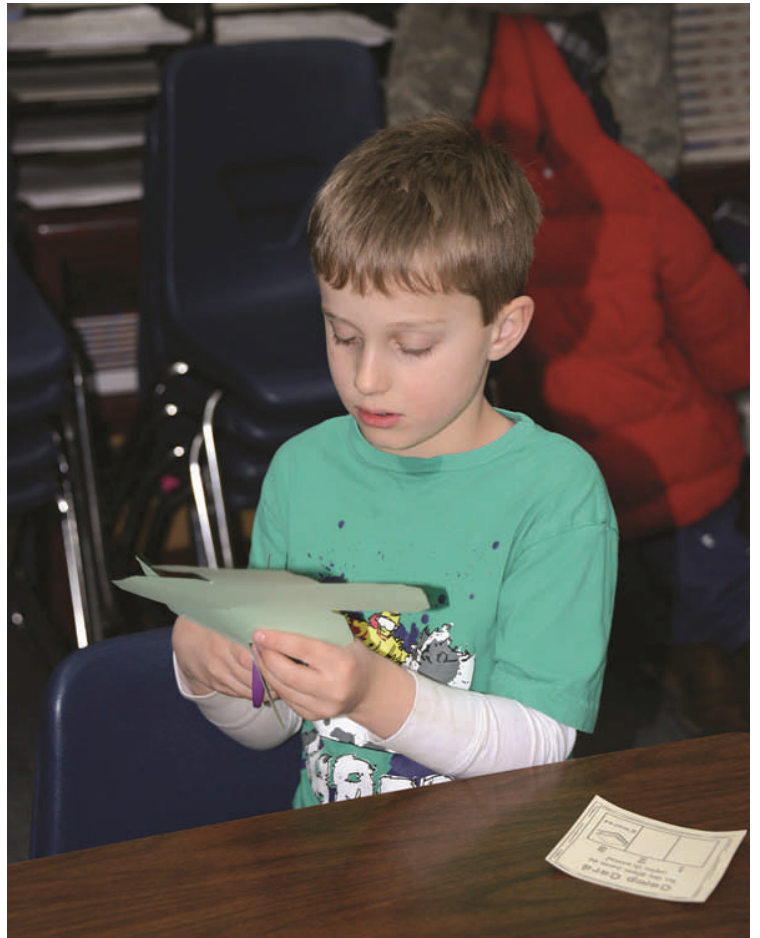
Source: Thompson School District Planning Department

2008	2007	2006	2005
424	404	404	415
195	185	233	244
192	200	212	211
322	299	307	285
342	319	343	409
555	517	529	485
-	-	-	-
261	271	246	253
342	363	376	359
289	302	310	304
394	391	431	327
496	471	461	445
392	420	409	430
509	516	603	580
-	-	-	-
336	366	346	353
241	216	235	246
282	285	267	207
269	266	272	271
407	364	382	411
604	612	645	697
703	783	794	784
836	836	800	801
426	434	437	467
683	708	770	789
677	692	673	681
99	105	97	105
1,678	1,636	1,536	1,493
1,201	1,187	1,179	1,194
1,475	1,492	1,477	1,435
<u>14,630</u>	<u>14,640</u>	<u>14,774</u>	<u>14,681</u>





## **COMPLIANCE SECTION**





Board of Education  
Thompson School District R2-J  
Loveland, Colorado

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Thompson School District R2-J as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Thompson School District R2-J, and have issued our report thereon dated December 1, 2014. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Thompson School District R2-J's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Thompson School District R2-J's internal control. Accordingly, we do not express an opinion on the effectiveness of the Thompson School District R2-J's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Thompson School District R2-J's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the Thompson School District R2-J's internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Thompson School District R2-J's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Thompson School District R2-J's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Thompson School District R2-J's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



December 1, 2014



Board of Education  
Thompson School District R2-J  
Loveland, Colorado

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE,  
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY OMB CIRCULAR A-133**

**Report on Compliance for Each Major Federal Program**

We have audited the Thompson School District R2-J's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Thompson School District R2-J's major federal programs for the year ended June 30, 2014. The Thompson School District R2-J's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Thompson School District R2-J's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Thompson School District R2-J's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Thompson School District R2-J's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Thompson School District R2-J complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

### **Report on Internal Control Over Compliance**

Management of the Thompson School District R2-J is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Thompson School District R2-J's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Thompson School District R2-J's internal control over compliance.

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

Our consideration of the Thompson School District R2-J's internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the Thompson School District R2-J as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Thompson School District R2-J. We issued our report thereon dated December 1, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Thompson School District R2-J's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Swanlund & Company LLC*

December 1, 2014

**THOMPSON SCHOOL DISTRICT R2-J**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2014**

**Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: unmodified

Internal control over financial reporting:

• Material weaknesses identified? \_\_\_\_\_ yes      x   no

• Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      x   none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes      x   no

*Federal Awards*

Internal control over major federal programs:

• Material weaknesses identified? \_\_\_\_\_ yes      x   no

• Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      x   none reported

Type of auditors' report issued on compliance for major federal programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

\_\_\_\_\_ yes      x   no

Identification of major federal programs:

84.027 Special Education

84.173 Special Education Preschool

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?   x   yes    \_\_\_\_\_ no

**Financial Statement Findings**

The audit of the financial statements did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose fraud, violations of provisions of contracts and grant agreements, or abuse that were material to those financial statements.

**Federal Awards Findings and Questioned Costs**

The audit of federal awards did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose instances of noncompliance or abuse that were material to those federal awards.





**Thompson School District R2-J**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2014**

Federal Grantor/Pass - Through Grantor Program Title	Pass-Through Entity Grant Code	Federal CFDA Number	Grant Expenditures
U.S. Department of Education			
Passed Through State Department of Education			
Title I	4010, 5010	84.010	\$ 1,567,404
Special Education	4027	84.027	3,217,225
Special Education Preschool	4173	84.173	81,982
Improving Teacher Quality	4367	84.367	410,348
English Language Acquisition	4365	84.365	37,409
Race to the Top	4413	84.413	24,260
Race to the Top - Early Learning Challenge	5412	84.412	5,570
Special Education State Personnel Development	5323	84.323	2,032
Twenty-First Century Community Learning Centers	5287, 6287	84.287	103,615
Charter Schools	5282	84.282	196,600
Advanced Placement Program	5330	84.330	1,260
Safe and Drug-Free Schools and Communities	9184	84.184	23,801
Passed Through State Department of Human Services			
Vocational Rehabilitation		84.126	139,860
Passed Through State Community Colleges System			
Career and Technical Education		84.048	85,484
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>5,896,850</u>
U.S. Department of Agriculture			
Passed through State Department of Human Services			
Food Donation		10.555	271,014
Passed Through State Department of Education			
School Breakfast Program	4553	10.553	710,137
National School Lunch Program	4555	10.555	1,988,166
Summer Food Service Program for Children	4559	10.559	88,251
Passed Through State Department of Public Health & Environment			
Child and Adult Care Food Program		10.558	21,202
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>3,078,770</u>
U.S. Department of Health and Human Services			
Direct Program			
Head Start		93.600	913,267
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 9,888,887</u>

See independent auditors' report

**Thompson School District R2-J**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**June 30, 2014**

**Note (1) Basic Presentation**

The schedule of expenditures of federal awards includes the federal grant activity of the Thompson School District R2-J and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Colorado Department of Education**

**Auditors Integrity Report**

District: 1560 - THOMPSON R2-J

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
<b>Governmental</b>	+		-	=
10 General Fund	29,329,078	106,739,794	109,065,496	27,003,376
18 Risk Mgmt Sub-Fund of General Fund	311,297	8,030	1,064,616	-745,289
19 Colorado Preschool Program Fund	178,562	682,743	803,968	57,338
<b>Sub- Total</b>	<b>29,818,937</b>	<b>107,430,567</b>	<b>110,934,080</b>	<b>26,315,424</b>
11 Charter School Fund	1,074,369	7,676,300	7,520,348	1,230,321
20,26-29 Special Revenue Fund	4,450,338	5,315,048	4,486,665	5,278,721
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	77,473	7,398,640	7,197,789	278,324
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	12,351,179	10,515,796	10,255,919	12,611,056
39 Non-Voter Approved Debt Service Fund	0	0	0	0
41 Building Fund	99,831	207,977	307,807	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	2,377,930	2,156,226	2,312,423	2,221,734
<b>Totals</b>	<b>50,250,057</b>	<b>140,700,553</b>	<b>143,015,030</b>	<b>47,935,580</b>
<b>Proprietary</b>				
51 Food Service Fund	1,147,694	4,708,970	4,661,738	1,194,926
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>1,147,694</b>	<b>4,708,970</b>	<b>4,661,738</b>	<b>1,194,926</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	80,867	56,204	62,955	74,116
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	1,098,247	2,634,457	2,534,221	1,198,483
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	1,144,545	535,620	523,202	1,156,963
<b>Totals</b>	<b>2,323,658</b>	<b>3,226,281</b>	<b>3,120,378</b>	<b>2,429,562</b>

FINAL

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