

Garfield School District Re-2

Learning Today for Tomorrow



Garfield County

Covering the City of Rifle, and the Towns of Silt & New Castle, Colorado

Year-To-Date Statement of Revenues, Expenditures, & Changes in Fund Balances by Fund As of March 31, 2017



Garfield School District Re-2
General Fund
March 31, 2017 Quarterly Reporting

PURPOSE: This fund accounts for the general operations of the District, including instructional and support expenditures and revenue.

REVENUE DISCUSSION: Major revenue sources for the general fund include state equalization funding, other state funding, property taxes, specific ownership taxes, mineral lease revenues, Medicaid funding, and investment earnings. Below is a list of anticipated revenue variances:

| | | |
|-------------------------------|----------------|------------------------------------------|
| Specific Ownership Tax | 64,000 | Local Economic variance |
| Wellspring | (60,000) | Fewer Students from Roaring Fork |
| Additional State Revenue | 30,697 | Supplemental state budget, misc. |
| BOCES Reimb. & Break Contract | 153,739 | After part was used for Capital Projects |
| Other, net | (32,317) | |
| Revenue Variance Estimated | <u>156,119</u> | |

EXPENDITURE DISCUSSION: Approximately 82% of the general fund budget is attributable to salaries and employee benefits. Of total general fund expenditures, 56% are attributable to direct instructional expenditures. Below is a list of anticipated expense variances:

| | | |
|----------------------------------|-------------------|--------------------------------------------------|
| Out of District Students | 38,189 | |
| BOCES | 162,261 | Student count variance, added est. savings fall |
| Lanes Consulting | 20,000 | |
| CMC Tuition | 24,623 | |
| Schools | 11,043 | |
| Textbooks | 14,274 | |
| Curriculum | 40,868 | Reducing PD |
| Board of Education | 26,000 | |
| Legal Service | 25,000 | |
| Other non-salary, net | (13,173) | |
| Salaries, Attrition and Contract | 342,253 | Didn't utilize SPED paras and Unfilled Positions |
| Expense Variance Estimated | <u>691,338</u> | |
| Budgeted Reduction in FB | (1,022,047) | |
| Projected Reduction in FB | (174,590) | |
| Difference | <u>847,457</u> | |
| 6/30/2016 Fund Balance | 11,248,359 | |
| Less: Fund Reduction, FY17 | (174,590) | |
| 6/30/17 Projected Fund Bal. | <u>11,073,769</u> | |

| | | |
|----------------------------------|------------------|----------------------------------------------------|
| Previous Fund Bal. | | |
| Reduction Est. | (490,057) | |
| Difference: BOCES | 255,000 | Refund and anticipated refund for FY17 |
| Difference: SOT | 64,000 | |
| Difference: Use for Cap Projects | (70,429) | |
| Difference: Unused positions | 15,309 | |
| Other Differences, Net | 51,587 | Lanes Consulting, Other non-salary per projections |
| Total | <u>(174,590)</u> | |

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Year-to-Date March 31, 2017

| | 2016-17 | | | | | |
|--------------------------------------------------------------|--------------------|--------------------|--------------------|---------------------|----------------|--------------------|
| | Original Budget | Current Budget | YTD Actual | Remaining Budget | % Bud. Used | 2015-16 |
| Revenues: | | | | | | |
| <i>Taxes:</i> | | | | | | |
| Local property taxes | 7,791,216 | 7,791,216 | 2,172,846 | 5,618,370 | 28% | 10,173,442 |
| Specific ownership taxes | 1,000,000 | 900,000 | 636,351 | 263,649 | 71% | 1,005,048 |
| <i>State sources:</i> | | | | | | |
| Equalization | 30,245,682 | 30,547,105 | 22,876,982 | 7,670,123 | 75% | 27,130,987 |
| Other state sources | 1,751,853 | 2,034,946 | 1,026,657 | 1,008,289 | 50% | 1,795,537 |
| Intermediate sources | 151,000 | 96,000 | 93,202 | 2,798 | 97% | 263,347 |
| Federal sources | 1,053,947 | 1,282,052 | 522,455 | 759,597 | 41% | 905,411 |
| Other local sources | 848,615 | 981,859 | 741,794 | 240,065 | 76% | 873,845 |
| Earnings on investments | 25,000 | 75,000 | 57,594 | 17,406 | 77% | 38,063 |
| Total Revenues | 42,867,313 | 43,708,178 | 28,127,881 | 15,580,297 | 64% | 42,185,680 |
| Expenditures: | | | | | | |
| Instructional Programs: | | | | | | |
| Salaries | 16,914,025 | 17,013,454 | 12,568,339 | 4,445,115 | 74% | 15,367,532 |
| Employee benefits | 6,317,786 | 6,359,951 | 4,694,579 | 1,665,372 | 74% | 5,448,905 |
| Purchased services | 1,349,611 | 1,378,616 | 730,467 | 648,149 | 53% | 1,466,140 |
| Supplies | 764,805 | 874,767 | 761,410 | 113,357 | 87% | 813,243 |
| Property | 292,956 | 322,956 | 338,246 | (15,290) | 105% | 51,604 |
| Other expense | 145,419 | 145,419 | 96,386 | 49,033 | 66% | 118,095 |
| Total instructional programs | 25,784,602 | 26,095,163 | 19,189,427 | 6,905,736 | 74% | 23,265,519 |
| Supporting services: | | | | | | |
| Salaries | 8,875,759 | 8,875,759 | 6,595,342 | 2,280,417 | 74% | 9,689,543 |
| Employee benefits | 3,191,629 | 3,191,629 | 2,371,614 | 820,015 | 74% | 3,243,952 |
| Purchased services | 2,875,201 | 2,976,802 | 2,059,937 | 916,865 | 69% | 2,895,607 |
| Supplies | 2,322,657 | 2,322,657 | 1,465,558 | 857,099 | 63% | 2,222,588 |
| Property | 202,473 | 285,786 | 202,642 | 83,144 | 71% | 213,379 |
| Other expense | (64,907) | (64,907) | 1,020 | (65,927) | -2% | (41,513) |
| Total supporting services | 17,402,812 | 17,587,726 | 12,696,113 | 4,891,613 | 72% | 18,223,556 |
| Total Expenditures | 43,187,414 | 43,682,889 | 31,885,540 | 11,797,349 | 73% | 41,489,075 |
| Excess (Deficiency) of Revenues over Expenditures | (320,101) | 25,289 | (3,757,659) | 3,782,948 | -14859% | 696,605 |
| Other Financing Sources (Uses): | | | | | | |
| Operating transfers in / (out) | (906,818) | (1,047,336) | - | (1,047,336) | 0% | (1,540,549) |
| Total Oth. Financing Sources (Uses) | (906,818) | (1,047,336) | - | (1,047,336) | 0% | (1,540,549) |
| Net Change in Fund Balance | (1,226,919) | (1,022,047) | (3,757,659) | 2,735,612 | 368% | (843,944) |
| Fund Balances: | | | | | | |
| Beginning | 10,942,925 | 11,248,359 | 11,248,359 | | | 12,092,303 |
| Ending | 9,716,006 | 10,226,312 | 7,490,700 | | | 11,248,359 |

NOTE: Year-to-date actual salaries and benefits have been adjusted to 3/4 of the current annual estimate. This calculation will adjust for all contract timing variances.

Garfield School District Re-2
Food Service Fund
March 31, 2017 Quarterly Reporting

PURPOSE: This fund accounts for financial transactions related to the District's food service program. The District's food service program serves meals at all ten schools.

REVENUES: Revenue for the Food Service Fund is received through the following:

- Student and Adult Meal Sales
- Federal reimbursement for low income students
- A la carte sales
- Federal donated commodity program
- State grants
- Catering for internal entities

Meal prices for 2016-2017 are the same as the 2015-16 school year:

| | | |
|------------------------|----|------|
| Elementary students | \$ | 2.75 |
| Middle school students | \$ | 3.00 |
| High school students | \$ | 3.00 |
| Adult | \$ | 3.75 |
| Breakfast | \$ | 2.00 |

EXPENDITURES: Expenditures for this fund include costs associated with running the food service program.

SIGNIFICANT TRENDS & UNDERLYING ASSUMPTIONS:

For 2014-15, Colorado Department of Education mandated a change in the nature of the Food Service Fund from a Proprietary Fund to a Special Revenue Fund. This accounting shift causes the accounting method to shift from accrual basis to modified accrual basis of accounting. Therefore, inventory, fixed assets, and depreciation are no longer recorded in the Food Service Fund.

GENERAL FUND TRANSFER: There is no General Fund Transfer budgeted for 2015-16 or 2016-17. The general fund transfer used to be necessary due to the mill levy override increases for Coal Ridge High School and recurring staff raises from 2006. However, the Food Service Fund Balance can absorb the deficit for a few years. This approach will save the general fund \$207,062 for 2016-17. Eventually, as the Food Service Fund Balance is reduced, meal prices will need to be increased, or a fund transfer will need to be budgeted. As of 6/30/2016, the assigned portion of the fund balance totals \$532,858, and we are expecting to reduce that to \$300,000 instead of change lunch prices. The current 3-year projection shows that we will need to increase lunch prices or include a general fund transfer for 2017-18 or 2018-2019.

Special Revenue Fund
Food Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Year-to-Date March 31, 2017

| | 2016-17 | | | | 2015-16 |
|------------------------------------------------------|---------------------------------|---------------------|---------------------|------------------|-------------------|
| | Original & Current Budget | YTD Actual | Remaining Budget | % Budget Used | |
| Operating Revenues: | | | | | |
| Food sales | \$ 253,841 | \$ 206,450 | \$ 47,391 | 81% | \$ 260,576 |
| Total Operating Revenues | 253,841 | 206,450 | 47,391 | 81% | 260,576 |
| Operating Expenses: | | | | | |
| Salaries & benefits | 808,165 | 537,217 | 270,948 | 66% | 768,124 |
| Food and milk | 429,039 | 293,730 | 135,309 | 68% | 365,853 |
| Donated commodities | 81,000 | - | 81,000 | 0% | 81,283 |
| Internal Catering & Other | 44,742 | 17,705 | 27,037 | 40% | 27,494 |
| Total Operating Expenses | 1,362,946 | 848,652 | 514,294 | 62% | 1,242,754 |
| Operating Surplus (Loss) | (1,109,105) | (642,202) | (466,903) | 58% | |
| Non-operating Revenues: | | | | | |
| Interest | 45 | 349 | (304) | 775% | 2,615 |
| Federal reimbursement | 793,027 | 460,571 | 332,456 | 58% | 788,831 |
| State reimbursement | 27,971 | 19,730 | 8,241 | 71% | 28,201 |
| USDA donated commodities | 81,000 | - | 81,000 | 0% | 81,284 |
| Other | - | - | - | NA | - |
| Total Non-operating Revenues | 902,043 | 480,650 | 421,393 | 53% | 900,931 |
| Increase (Decrease) in Revenues over Expenses | (207,062) | (161,552) | (45,510) | 78% | 900,931 |
| Other Financing Sources (Uses): | | | | | |
| Operating transfers in | - | - | - | NA | - |
| Total Other Financing Sources (Uses) | - | - | - | NA | - |
| Increase (Decrease) in Retained Earnings | \$ (207,062) | \$ (161,552) | \$ (45,510) | 78% | \$ 900,931 |
| Net Assets | | | | | |
| Beginning | 509,219 | 900,931 | | | |
| Ending | 302,157 | 739,379 | | | 900,931 |

**Garfield School District Re-2
Designated Purpose Grants Fund
March 31, 2017 Quarterly Reporting**

PURPOSE: A separate accounting is maintained for each federal, state, and local grant included in this fund. Each grant is restricted for a specified purpose by the grantor. The grantors require a detailed financial reporting for these grants.

REVENUES: The District receives grants from federal, state, and local sources to provide supplemental funding for District programs. Each grant is approved by the Board of Education. The budgeted grants included in the Grant Fund are listed below.

| <u>Grant Name</u> | <u>Grant Description</u> |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Title I A | Supplements instruction at elementary schools, including Highland, Wamsley, Elk Creek, Graham Mesa, & Cactus Valley, the highest poverty schools. |
| Title II (Teacher Quality) | Supports academic coaches and teacher training |
| Title III (ELL) | English language learners supplementary funds |
| Carl Perkins | Supports vocational programs at the High Schools |
| Garfield County | Kathryn Senor/Elk Creek Roof and Boiler projects |
| Aspen Foundation | English language learners and preschool grants |
| Investing in Innovation, SFA | Supports a district-wide reading coach |
| Other | Other potential grants sought by the District |

EXPENDITURES: All grant expenditures must be used in accordance with the conditions and requirements of each grant. The Colorado Department of Education has indicated there is a potential for reduction of Title grant funding from the initial allocation, due to potential federal budget cuts that is unknown at this time.

Garfield School District RE-2
Special Revenue Fund
Governmental Designated Purpose Grants Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Year-to-Date March 31, 2017

| | 2016-17 | | | | | |
|--------------------------------------------------------------|--------------------|-------------------|------------------|---------------------|------------------|------------------|
| | Original Budget | Current Budget | YTD Actual | Remaining Budget | % Budget Used | 2015-16 |
| Revenues: | | | | | | |
| Title I, including set-asides | 604,457 | 618,222 | 378,817 | 239,405 | 61% | 605,778 |
| Title II (Teacher Trng.) | 121,441 | 121,441 | 67,569 | 53,872 | 56% | 126,626 |
| Title III - ELL | 67,370 | 67,370 | 22,433 | 44,937 | 33% | 58,448 |
| Title III Set-Aside | 698 | 698 | - | 698 | 0% | 5,658 |
| Carl Perkins Grant | 25,700 | 25,700 | - | 25,700 | 0% | 23,338 |
| Math and Science Grant | 273,621 | 273,621 | 1,078 | 272,543 | 0% | 122,690 |
| RTTT Early Childhood Readiness, Federal | 3,500 | 3,500 | 3,133 | 368 | 90% | 30,785 |
| Other local grants | 558,748 | 558,748 | 107,342 | 451,406 | 19% | 745,217 |
| Total Revenues | 1,655,535 | 1,669,300 | 580,371 | 1,088,929 | 35% | 1,718,540 |
| Expenditures: | | | | | | |
| Title I, including set-asides | 604,457 | 618,222 | 436,060 | 182,162 | 71% | 605,778 |
| Title II (Teacher Trng.) | 121,441 | 121,441 | 78,558 | 42,883 | 65% | 126,626 |
| Title III - ELL | 67,370 | 67,370 | 24,939 | 42,431 | 37% | 58,448 |
| Title III Set-Aside | 698 | 698 | - | 698 | 0% | 5,658 |
| Carl Perkins Grant | 25,700 | 25,700 | 26,407 | (707) | 103% | 23,338 |
| Math and Science Grant | 273,621 | 273,621 | 93,534 | 180,087 | 34% | 122,690 |
| RTTT Early Childhood Readiness, Federal | 3,500 | 3,500 | 3,133 | 368 | 90% | 30,785 |
| Other local grants | 558,748 | 558,748 | 408,538 | 150,210 | 73% | 745,217 |
| Total Expenditures | 1,655,535 | 1,669,300 | 1,071,167 | 598,133 | 64% | 1,718,540 |
| Excess (Deficiency) of Revenues over Expenditures | - | - | (490,796) | 490,796 | N/A | - |
| Other Financing Sources (Uses): | | | | | | |
| Operating transfers in | | | | - | NA | |
| Operating transfers (out) | - | - | - | - | NA | - |
| Total Other Financing Sources (Uses) | - | - | - | - | NA | - |
| Net Change in Fund Balance | - | - | (490,796) | 490,796 | NA | - |
| Fund Balances: | | | | | | |
| Beginning | - | - | - | | | - |
| Ending | - | - | (490,796) | | | - |

**Garfield School District Re-2
 Student Activity Fund
 March 31, 2017 Quarterly Reporting**

PURPOSE: This fund is used to account for self-supporting student activities, and is not required by Colorado Revised Statutes.

REVENUES: The activities accounted for in this fund are supported by revenues from students, student participation fees, and other fundraising activities.

EXPENDITURES: Expenditures for this fund may include, but are not limited to, the following:

- Athletic officials & equipment
- Summer camps
- Student council
- Class activities and supplies
- Yearbook
- Field Trips and enrichment activities
- Extracurricular clubs
- Special Events

SIGNIFICANT TRENDS & UNDERLYING ASSUMPTIONS: The 2016-17 Budget is completed at each location based upon known fundraisers and past history, and is reviewed by the Finance Department. All fundraisers are approved by the Board individually. Principals submit all known fundraisers prior to the start of the school year, then can submit additional fundraisers in September. This process enables the Principal to prioritize fundraisers and evaluate the impact on businesses and the Community. Fundraisers can be submitted during the year if necessary. This fund has been consistent in the funds raised and expended for a few years, which is attributable to strong community support for schools.

2016 - 17 budgeted revenues & expenditures are broken out by location as follows:

| | <u>REVENUES</u> | <u>EXPENDITURES</u> |
|--------------------------|-----------------------|-----------------------|
| Highland Elementary | 5,750 | 5,750 |
| Graham Mesa Elementary | 8,500 | 8,500 |
| Wamsley Elementary | 10,650 | 10,650 |
| Cactus Valley Elementary | 7,150 | 7,150 |
| Elk Creek Elementary | 6,200 | 6,200 |
| Kathryn Senor Elementary | 11,375 | 11,375 |
| Rifle Middle School | 96,800 | 96,800 |
| Riverside | 56,650 | 56,650 |
| Rifle High School | 315,270 | 315,270 |
| Coal Ridge High School | 160,740 | 160,740 |
| Special Events/Other | 57,500 | 57,500 |
| TOTAL REVENUES | <u>736,585</u> | <u>736,585</u> |

Garfield School District RE-2
Pupil Activity Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Year-to-Date March 31, 2017

| | 2016-17 | | | | 2015-16 |
|--------------------------------------------------------------|---------------------------------|----------------|---------------------|------------------|----------------|
| | Original & Current Budget | YTD Actual | Remaining Budget | % Budget Used | |
| Revenues: | | | | | |
| Student activities | 736,585 | 464,123 | 272,462 | 63% | 663,124 |
| Total Revenues | 736,585 | 464,123 | 272,462 | 63% | 663,124 |
| Expenditures: | | | | | |
| Highland Elem. (141) | 5,750 | 2,272 | 3,478 | 40% | 2,261 |
| Graham Mesa Elem. (145) | 8,500 | 3,281 | 5,219 | 39% | 6,369 |
| Wamsley Elem. (151) | 10,650 | 7,008 | 3,642 | 66% | 5,859 |
| Cactus Valley Elem (171) | 7,150 | 2,924 | 4,226 | 41% | 8,847 |
| Kathryn Senor Elem (181) | 11,375 | 17,315 | (5,940) | 152% | 11,087 |
| Elk Creek Elementary (182) | 6,200 | 3,681 | 2,519 | 59% | 8,457 |
| Rifle Middle (262) | 96,800 | 44,820 | 51,980 | 46% | 73,185 |
| Riverside Middle (282) | 56,650 | 17,654 | 38,996 | 31% | 39,256 |
| Rifle High (363) | 315,270 | 189,908 | 125,362 | | 283,252 |
| Coal Ridge High School (375) | 160,740 | 132,599 | 28,141 | 82% | 202,194 |
| Central/Other | 57,500 | 1,735 | 55,765 | 3% | 6,506 |
| Total Expenditures | 736,585 | 423,196 | 313,389 | 57% | 647,273 |
| Excess (Deficiency) of Revenues over Expenditures | - | 40,928 | (40,928) | NA | 15,851 |
| Other Financing Sources (Uses): | | | | | |
| Operating transfers in | - | - | - | NA | - |
| Operating transfers (out) | - | - | - | NA | - |
| Total Other Financing Sources (Uses) | - | - | - | NA | - |
| Net Change in Fund Balance | - | 40,928 | (40,928) | NA | 15,851 |
| Fund Balances: | | | | | |
| Beginning | 339,177 | 390,030 | | | 374,179 |
| Ending | 339,177 | 430,958 | | | 390,030 |

**Garfield School District Re-2
Bond Redemption Fund
March 31, 2017 Quarterly Reporting**

PURPOSE: This fund is used to account for transactions related to Re-2's general obligation bonds and interest.

REVENUES: All revenue for this fund comes from property taxes. The projected assessed valuation for 2016-17 declined 40% compared to 2015-16, totaling \$735,967,230.

At the \$735,967,230 assessed valuation for 2016-17, the required mill levy to satisfy the current debt schedule would be 11.99 mills, an increase of 4.66 mills compared to 2015-16.

However the Board chose to use \$2 million in available Bond Redemption fund balance to reduce the mill levy rate one-time to 9.248 mills.

The 40% decline in assessed valuation (AV) is due to an anticipated 50% decline in oil and gas AV due to the significant decline in the market value of gas, coupled with the decline in production.

The property tax collection rate is budgeted at 100%.

EXPENDITURES: Expenditures for this fund include principal and interest payments for general obligation bonds due each fiscal year. Other expenditures include paying agent fees and arbitrage compliance fees.

The general obligation bonds include the \$7,115,000 in general obligation refunding bonds dated November 22, 2005, the \$16,745,000 in general obligation bonds dated December 14, 2006, the \$9,505,000 in general obligation bonds dated January 30, 2007, the \$9,700,000 in general obligation bonds dated January 20, 2009, the \$16,065,000 in general obligation refunding bonds dated December 18, 2009, the \$13,865,000 in general obligation refunding bonds dated July 29, 2010, the \$17,195,000 in general obligation refunding bonds dated March 1, 2012, the \$20,805,000 in taxable and tax exempt general obligation refunding bonds dated January 15, 2013, the \$8,925,000 in general obligation refunding bonds dated March 6, 2014, the \$8,820,000 in general obligation refunding bonds dated February 25, 2015, and the \$8,900,000 in general obligation refunding bonds dated January 6, 2016. Outstanding debt as of June 30, 2016 totals \$92,365,000.

Final maturity on outstanding debt is December 1, 2028. Garfield Re-2's annual debt service is as follows:

| <i>Fiscal Year</i> | <i>Principal</i> | <i>Interest</i> | <i>Total</i> |
|--------------------|----------------------|----------------------|-----------------------|
| Ending 2017 | 5,805,000 | 3,022,808 | 8,827,808 |
| 2018 | 5,825,000 | 2,845,451 | 8,670,451 |
| 2019 | 6,000,000 | 2,711,170 | 8,711,170 |
| 2020 | 6,265,000 | 2,569,356 | 8,834,356 |
| 2021 | 6,420,000 | 2,371,642 | 8,791,642 |
| 2022-2026 | 36,435,000 | 7,719,840 | 44,154,840 |
| 2027-2029 | 25,615,000 | 1,348,797 | 26,963,797 |
| TOTAL | \$ 92,365,000 | \$ 22,589,064 | \$ 114,954,064 |

The District's legal debt ceiling is calculated as 20 percent of assessed valuation. Legal debt margin subtracts outstanding debt from the legal debt ceiling. The legal debt margin is estimated as follows for the upcoming budget year:

| | |
|-------------------------------------|-----------------|
| Actual assessed valuation | \$ 735,967,230 |
| Multiplied by limitation percentage | 20% |
| Legal debt ceiling | \$ 147,193,446 |
| Less: outstanding bonded debt | \$ (92,365,000) |
| Legal debt margin | \$ 54,828,446 |

SIGNIFICANT TRENDS & UNDERLYING ASSUMPTIONS: The District has completed ten bond refundings since 2009. The reason for the bond refundings is to reduce the cost to taxpayers through lowering the interest rate on the bonds. From these refundings, the district will save about \$500,000 per year in bond repayment costs. Existing debt levels will cost taxpayers between \$8.8 million and \$9.1 million per year until fiscal year 2029. The effect of the existing debt level on future construction and bond elections depends on the assessed valuation fluctuation each year. At the budgeted assessed valuation, there is enough budgeted assessed valuation to allow the District to request a bond election from voters should the need arise.

Garfield School District RE-2
Debt Service Fund
Bond Redemption Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Year-to-Date March 31, 2017

| | 2016-17 | | | | 2015-16 |
|--------------------------------------------------------------|---------------------------------|--------------------|---------------------|---------------------|------------------|
| | Original & Current Budget | YTD Actual | Remaining Budget | % Budget Used | |
| Revenues: | | | | | |
| Property taxes | 8,857,808 | 1,901,823 | 6,955,985 | 21% | 9,007,804 |
| Delinquent Property Taxes | - | 64,287 | (64,287) | NA | (24,490) |
| Earnings on Investments | - | 2,160 | (2,160) | NA | (754) |
| Total Revenues | 8,857,808 | 1,968,270 | 6,889,538 | 22% | 8,982,560 |
| Expenditures: | | | | | |
| Principal | 5,805,000 | 5,805,000 | - | 100% | 5,575,851 |
| Interest | 3,022,808 | 1,566,343 | 1,456,466 | 52% | 3,237,402 |
| Other | 30,000 | 18,263 | 11,737 | 61% | 115,179 |
| Total Expenditures | 8,857,808 | 7,389,606 | 1,468,202 | 83% | 8,928,432 |
| Excess (Deficiency) of Revenues over Expenditures | - | (5,421,336) | 5,421,336 | NA | 54,128 |
| Other Financing Sources (Uses): | | | | | |
| Bond Proceeds | - | - | - | NA | 8,900,000 |
| Premium on Bonds | - | - | - | NA | 1,076,512 |
| Payment refund bond escrow agent | - | - | - | NA | (9,859,169) |
| Total Other Financing Sources (Uses) | - | - | - | NA | 117,343 |
| Net Change in Fund Balance | - | (5,421,336) | 5,421,336 | NA | 171,471 |
| Fund Balances: | | | | | |
| Beginning | 12,117,457 | 12,247,433 | | | 12,075,962 |
| Ending | 12,117,457 | 6,826,097 | | | 12,247,433 |

**Garfield School District Re-2
Capital Projects Fund
March 31, 2017 Quarterly Reporting**

PURPOSE: This fund is used to account for acquisitions of capital items, including buses, construction of new facilities, renovations or improvements to existing facilities, large furniture orders, and other equipment. The Board approves an allocation to the Capital Projects Fund annually.

To determine the Capital Projects Fund budget each year, the Director of Maintenance works with the administration for each department to outline anticipated future capital needs.

The capital needs are prioritized based upon when the capital need is required, and the impact to safety, etc. The Superintendent and Director of Finance recommend the amount of funding available for Capital Projects Fund, and a recommended budget is given to the Board of Education, who modifies which capital projects are approved for the ensuing fiscal year. The Capital Projects needs list for 2016-17 totals \$7,492,362, with only \$1,165,668 approved, including \$258,850 in tech purchases that are in the General Fund budget.

REVENUES: All revenue for this fund comes from a general fund transfer that is restricted for capital purchases by the Board of Education. The budgeted amount of projects for 2016-17 will not sustain the District's buildings or equipment at their current level.

The District is currently utilizing software to assist in capturing "deferred maintenance costs", which are costs we should be paying for building repair that we cannot afford. The District has included an additional analysis, showing estimated upkeep and equipment replacement costs, for the next 15 years, which is included on the next page of this report. This analysis shows that an increase in Capital Projects Fund allocation will be required over time to maintain the current buildings and equipment. Six years ago, the State of Colorado reviewed the structural integrity of schools state-wide and the State determined that Re-2's buildings did not have major problems at that time.

EXPENDITURES: Expenditures for this fund include acquisition of capital items, including buses, maintenance vehicles, construction of new facilities, renovations or improvements to existing facilities, large furniture orders, and technology equipment. Expenditures also include lease purchase payments on the following leases for the following amounts:

| <i>Description of Lease & Start Date</i> | <i>FY 2016-17 Total Lease Payment</i> | <i>Total Duration of Lease</i> |
|----------------------------------------------|-----------------------------------------------|------------------------------------|
| Three Modulares - FY 2014-15 (RMS) | 41,203 | 3 years |
| One Modular - FY 2014-15 (RIV) | 10,740 | 3 years |

The capital improvements outlined for the 2016-17 Capital Projects budget will not affect the District's current or future operating budgets beyond the initial costs of the capital items. The recurring expenditures included in the Capital Projects budget include technology & computer replacement cycles totaling \$368,850, and food service replacements totaling \$19,000. We currently own about 40 buses district-wide, so the replacement cycle should also include 2 - 3 buses budgeted annually. Smaller vehicle and maintenance vehicle fleets have 38 vehicles currently that have not been on a replacement cycle due to budget cuts. In the future, we will need to add these vehicles to our replacement cycle at the rate of at least 2 vehicles per year.

SIGNIFICANT TRENDS & UNDERLYING ASSUMPTIONS: Since 2010, which marked the completion of the 2006 Bond construction, Garfield Re-2 has been reasonably up-to-date on capital needs for the District. However, in 2012-13, the Capital Projects budget was reduced by about \$500,000 compared to what is needed to maintain the buildings and our normal replacement cycles for equipment, buses, and technology. This reduction was due to budget cuts that year. Starting in 2013-14, the Director of Maintenance and Director of Finance developed a way to track deferred maintenance, which is a measurement to show how well our buildings are being maintained. The purpose is to assure that our capital needs can be weighed against other budgetary requirements in the District, to give the Board and Administration an understanding of the potential cost of capital projects in the future for planning and prioritizing budget needs effectively.

**Garfield School District Re-2
Capital Projects Fund
March 31, 2017 Quarterly Reporting**

Below is a summary of the estimated capital needs based upon normal replacement cycles for each category. Note that based upon needs estimated over the next fifteen years, our Capital Projects requirements will increase as our buildings age. The current estimated replacement cost for all buildings and equipment totals over \$200 million. At that amount, the District would need to spend \$4 - \$5 million per year to keep up with depreciation on the buildings and equipment.

| Program | Deferred Capital Projects (NOTE A) | Years 2 - 5 | Years 6 - 10 | Years 11 - 15 |
|----------------------------------------|-------------------------------------------------------|----------------------|----------------------|----------------------|
| <i>Building Requests (NOTE B)</i> | 1,392,700 | 600,000 | 750,000 | 750,000 |
| <i>Infrastructure (NOTE C)</i> | 1,354,467 | 971,865 | 625,000 | 625,000 |
| <i>Modernizations (NOTE D)</i> | 3,616,330 | 1,429,500 | 702,600 | 1,118,000 |
| <i>Renewal (system estimates)</i> | 6,140,705 | 7,072,069 | 14,271,919 | 8,143,862 |
| <i>Vehicles</i> | 2,063,605 | 2,198,585 | 1,419,600 | 1,180,000 |
| <i>Food Service</i> | - | 160,000 | 200,000 | 250,000 |
| <i>Technology</i> | N/A | 1,400,000 | 1,750,000 | 1,750,000 |
| TOTAL Before Bond Items | \$ 14,567,808 | \$ 13,832,019 | \$ 19,719,119 | \$ 13,816,862 |
| <i>Bond Construction Possibilities</i> | 475,000 | 27,995,000 | - | - |
| TOTAL Before Bond Items | \$ 15,042,808 | \$ 41,827,019 | \$ 19,719,119 | \$ 13,816,862 |

NOTE A: Deferred Capital Projects is an estimate of the cost of the items that we should have replaced or maintained but have not due to financial constraints. Deferred projects is calculated as known deferred items plus a software generated estimate of the cost to maintain buildings and systems based upon average useful life. Deferred projects do not apply to technology.

NOTE B: Assumes \$150,000 per year for years 2 - 15 in additional building requests, based upon past history. The Deferred column includes all current requests.

NOTE C: Infrastructure includes all capital needs outside of buildings, such as parking lots.

NOTE D: Modernizations include requested items that are a necessity for the school.

Garfield School District RE-2
Special Revenue Fund
Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Year-to-Date March 31, 2017

| | 2016-17 | | | | % Budget Used | 2015-16 |
|--------------------------------------------------------------|--------------------|--------------------|------------------|---------------------|------------------|--------------------|
| | Original Budget | Current Budget | YTD Actual | Remaining Budget | | |
| Revenues: | | | | | | |
| Other local revenue | - | 226,253 | 1,941 | 224,312 | 1% | 18,200 |
| Total Revenues | - | 226,253 | 1,941 | 224,312 | 1% | 18,200 |
| Expenditures: | | | | | | |
| Capital Outlay: | | | | | | |
| Vehicles | 118,000 | 158,120 | 39,470 | 118,650 | 25% | 271,604 |
| Land and building | 588,876 | 998,572 | 620,602 | 377,970 | 62% | 701,653 |
| Principal on leases | 51,942 | 51,942 | 50,748 | 1,194 | 98% | 54,416 |
| Equipment and other | 148,000 | 138,344 | 142,176 | (3,832) | 103% | 431,932 |
| Total Expenditures | 906,818 | 1,346,978 | 852,995 | 493,983 | 63% | 1,459,605 |
| Excess (Deficiency) of Revenues over Expenditures | (906,818) | (1,120,725) | (851,054) | (269,671) | 76% | (1,441,405) |
| Other Financing Sources (Uses): | | | | | | |
| Lease proceeds | - | - | - | - | NA | - |
| Transfer In | 906,818 | 1,047,336 | - | 1,047,336 | NA | 1,540,549 |
| Total Other Financing Sources (Uses) | 906,818 | 1,047,336 | - | 1,047,336 | NA | 1,540,549 |
| Net Change in Fund Balance | - | (73,389) | (851,054) | 777,665 | 76% | 99,144 |
| Fund Balances: | | | | | | |
| Beginning | 265,137 | 346,081 | 346,081 | | | 246,937 |
| Ending | 265,137 | 272,692 | (504,973) | | | 346,081 |

**Garfield School District Re-2
Pupil Activity Agency Fund
March 31, 2017 Quarterly Reporting**

PURPOSE: This fund is used to account for transactions and assets held by the District acting as an agent for school-sponsored student organizations and activities. These clubs and organizations exist with the explicit approval of, and are subject to revocation by, the District's Board of Education. This fund is self-supporting, and does not receive any direct or indirect District support. This fund is required because we hold funds in trust for parent organizations approved by the Board.

REVENUES: The activities accounted for in this fund are supported by revenues raised by parent organizations that have been approved as internal organizations that we keep the records for, regional extracurricular meets, fundraising activities, and donations.

2016-17 budgeted revenues are broken out by location as follows:

| | |
|--------------------------|-----------------------|
| Highland Elementary | 20,500 |
| Graham Mesa Elementary | 600 |
| Wamsley Elementary | 21,200 |
| Cactus Valley Elementary | 500 |
| Kathryn Senor Elementary | 26,500 |
| Elk Creek Elementary | 20,875 |
| Riverside | 28,000 |
| Rifle Middle School | 2,000 |
| Rifle High School | 1,700 |
| Coal Ridge High School | 600 |
| Transportation/Maint. | 900 |
| TOTAL REVENUES | <u><u>123,375</u></u> |

EXPENDITURES: Expenditures for this fund include extracurricular student activities, instructional supplementation, and faculty fund expenditures.

SIGNIFICANT TRENDS & UNDERLYING ASSUMPTIONS: The 2016-17 Budget is completed by each location based upon known fundraisers and past history, and is reviewed by the Finance Department. All fundraisers are approved by the Board individually. Principals submit all known fundraisers prior to the start of the school year, then can submit additional fundraisers in September. This process enables the Principal to prioritize fundraisers and evaluate the impact on businesses and the community. Fundraisers can be submitted during the year if necessary.

NOTE: The schools that have a parent organization in district include Wamsley, Highland, Kathryn Senor, Elk Creek Elementary, and Riverside Middle School. All other schools have parent organizations that operate independently of Garfield Re-2. Most of the schools also have a faculty courtesy account that is included in this fund.

Garfield School District RE-2
Agency Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Year-to-Date March 31, 2017

| | 2016-17 | | | | 2015-16 |
|--------------------------------------------------------------|--------------------|---------------|---------------------|------------------|----------------|
| | Original Budget | YTD Actual | Remaining Budget | % Budget Used | |
| Revenues: | | | | | |
| Student activities | 123,575 | 90,317 | 33,258 | 73% | 105,655 |
| Total Revenues | 123,575 | 90,317 | 33,258 | 73% | 105,655 |
| Expenditures: | | | | | |
| Student activities | 123,375 | 66,676 | 56,699 | 54% | 107,431 |
| Total Expenditures | 123,375 | 66,676 | 56,699 | 54% | 107,431 |
| Excess (Deficiency) of Revenues over Expenditures | 200 | 23,641 | (23,441) | 11820% | (1,776) |
| Other Financing Sources (Uses): | | | | | |
| Operating transfers in | - | - | - | | - |
| Operating transfers (out) | - | - | - | NA | - |
| Total Other Financing Sources (Uses) | - | - | - | NA | - |
| Net Change in Fund Balance | 200 | 23,641 | (23,441) | 11820% | (1,776) |
| Fund Balances: | | | | | |
| Beginning | 41,115 | 39,340 | | | 41,116 |
| Ending | 41,315 | 62,981 | | | 39,340 |