

# 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 December 31, 2016***



**Garfield School District Re-2**  
**General Fund**  
**December 31, 2016 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:

Other	(15,415)	preschool tuition down due to fewer students & just received a property tax abatement.
Revenue Variance Estimated	<u>(15,415)</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	30,000	
BOCES	70,000	
Salaries, Attrition and Contract	190,869	Special Education, positions added due to new students & supplemental budget change.
Expense Variance Estimated	<u>290,869</u>	
Budgeted Reduction in FB	(1,022,047)	
Projected Reduction in FB	<u>(746,593)</u>	
Difference	<u>275,454</u>	
6/30/2016 Fund Balance	11,248,359	
Less: Fund Reduction, FY17	<u>(746,593)</u>	
6/30/17 Projected Fund Bal.	<u>10,501,766</u>	

Previous Fund Bal.		
Reduction Est.	(650,000)	
Difference: preschool tuition	(21,000)	Fewer Regular Education students this year
Difference: Dqt Tax/interest	(10,000)	January statement/oil and gas audit
Difference: YMHS, students	(43,000)	Increased # students
Other Differences, Net	(22,593)	Add'l post-secondary tuition and SPED positions
Total	<u>(746,593)</u>	



**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Year-to-Date December 31, 2016**

	2016-17					
	Original Budget	Current Budget	YTD Actual	Remaining Budget	% Bud. Used	2015-16
<b>Revenues:</b>						
<i>Taxes:</i>						
Local property taxes	7,791,216	7,791,216	139,220	7,651,996	2%	10,173,442
Specific ownership taxes	1,000,000	900,000	373,454	526,546	41%	1,005,048
<i>State sources:</i>						
Equalization	30,245,682	30,547,105	15,257,674	15,289,431	50%	27,130,987
Other state sources	1,751,853	2,034,946	899,319	1,135,627	44%	1,795,537
Intermediate sources	151,000	96,000	91,808	4,192	96%	263,347
Federal sources	1,053,947	1,282,052	210,425	1,071,627	16%	905,411
Other local sources	848,615	910,598	340,757	569,841	37%	873,845
Earnings on investments	25,000	75,000	37,163	37,837	50%	38,063
<b>Total Revenues</b>	<b>42,867,313</b>	<b>43,636,917</b>	<b>17,349,820</b>	<b>26,287,097</b>	<b>40%</b>	<b>42,185,680</b>
<b>Expenditures:</b>						
<b>Instructional Programs:</b>						
Salaries	16,914,025	17,013,454	8,408,138	8,605,316	49%	15,367,532
Employee benefits	6,317,786	6,359,951	3,140,637	3,219,314	49%	5,448,905
Purchased services	1,349,611	1,378,616	329,678	1,048,938	24%	1,466,140
Supplies	764,805	874,767	613,967	260,800	70%	813,243
Property	292,956	322,956	322,688	268	100%	51,604
Other expense	145,419	145,419	72,696	72,723	50%	118,095
<b>Total instructional programs</b>	<b>25,784,602</b>	<b>26,095,163</b>	<b>12,887,804</b>	<b>13,207,359</b>	<b>49%</b>	<b>23,265,519</b>
<b>Supporting services:</b>						
Salaries	8,875,759	8,875,759	4,412,232	4,463,527	50%	9,689,543
Employee benefits	3,191,629	3,191,629	1,586,591	1,605,038	50%	3,243,952
Purchased services	2,875,201	2,976,802	1,476,811	1,499,991	50%	2,895,607
Supplies	2,322,657	2,322,657	892,109	1,430,548	38%	2,222,588
Property	202,473	285,786	156,259	129,527	55%	213,379
Other expense	(64,907)	(64,907)	(2,666)	(62,241)	4%	(41,513)
<b>Total supporting services</b>	<b>17,402,812</b>	<b>17,587,726</b>	<b>8,521,337</b>	<b>9,066,389</b>	<b>48%</b>	<b>18,223,556</b>
<b>Total Expenditures</b>	<b>43,187,414</b>	<b>43,682,889</b>	<b>21,409,140</b>	<b>22,273,749</b>	<b>49%</b>	<b>41,489,075</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(320,101)</b>	<b>(45,972)</b>	<b>(4,059,321)</b>	<b>4,013,349</b>	<b>8830%</b>	<b>696,605</b>
<b>Other Financing Sources (Uses):</b>						
Operating transfers in / (out)	(906,818)	(976,075)	-	(976,075)	0%	(1,540,549)
<b>Total Oth. Financing Sources (Uses)</b>	<b>(906,818)</b>	<b>(976,075)</b>	<b>-</b>	<b>(976,075)</b>	<b>0%</b>	<b>(1,540,549)</b>
<b>Net Change in Fund Balance</b>	<b>(1,226,919)</b>	<b>(1,022,047)</b>	<b>(4,059,321)</b>	<b>3,037,274</b>	<b>397%</b>	<b>(843,944)</b>
<b>Fund Balances:</b>						
Beginning	10,942,925	11,248,359	11,248,359			12,092,303
Ending	9,716,006	10,226,312	7,189,038			11,248,359

NOTE: Year-to-date actual salaries and benefits have been adjusted to 1/2 of the current annual estimate. This calculation will adjust for all contract timing variances.

**Garfield School District Re-2**  
**Food Service Fund**  
**December 31, 2016 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 December 31, 2016**

	2016-17				
	Original & Current Budget	YTD Actual	Remaining Budget	% Budget Used	2015-16
<b>Operating Revenues:</b>					
Food sales	\$ 253,841	\$ 120,562	\$ 133,279	47%	\$ 260,576
<b>Total Operating Revenues</b>	<b>253,841</b>	<b>120,562</b>	<b>133,279</b>	<b>47%</b>	<b>260,576</b>
<b>Operating Expenses:</b>					
Salaries & benefits	808,165	337,604	470,561	42%	768,124
Food and milk	429,039	173,129	255,910	40%	365,853
Donated commodities	81,000	-	81,000	0%	81,283
Internal Catering & Other	44,742	10,371	34,371	23%	27,494
<b>Total Operating Expenses</b>	<b>1,362,946</b>	<b>521,104</b>	<b>841,842</b>	<b>38%</b>	<b>1,242,754</b>
<b>Operating Surplus (Loss)</b>	<b>(1,109,105)</b>	<b>(400,542)</b>	<b>(708,563)</b>	<b>36%</b>	<b>(982,178)</b>
<b>Non-operating Revenues:</b>					
Interest	45	-	45	0%	2,615
Federal reimbursement	793,027	232,946	560,081	29%	788,831
State reimbursement	27,971	14,511	13,460	52%	28,201
USDA donated commodities	81,000	-	81,000	0%	81,284
Other	-	-	-	NA	-
<b>Total Non-operating Revenues</b>	<b>902,043</b>	<b>247,457</b>	<b>654,586</b>	<b>27%</b>	<b>900,931</b>
<b>Increase (Decrease) in Revenues over Expenses</b>	<b>(207,062)</b>	<b>(153,085)</b>	<b>(53,977)</b>	<b>74%</b>	<b>(81,247)</b>
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	-	-	-	NA	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>NA</b>	<b>-</b>
<b>Increase (Decrease) in Retained Earnings</b>	<b>\$ (207,062)</b>	<b>\$ (153,085)</b>	<b>\$ (53,977)</b>	<b>74%</b>	<b>\$ (81,247)</b>
<b>Net Assets</b>					
Beginning	509,219	593,258			674,505
Ending	302,157	440,173			593,258

**Garfield School District Re-2**  
**Designated Purpose Grants Fund**  
**December 31, 2016 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 December 31, 2016**

	2016-17					
	Original Budget	Current Budget	YTD Actual	Remaining Budget	% Budget Used	2015-16
<b>Revenues:</b>						
Title I, including set-asides	604,457	618,222	165,505	452,717	27%	605,778
Title II (Teacher Trng.)	121,441	121,441	27,854	93,587	23%	126,626
Title III - ELL	67,370	67,370	-	67,370	0%	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	-	3,500	0%	30,785
Other local grants	558,748	558,748	2,500	556,248	0%	745,217
<b>Total Revenues</b>	<b>1,655,535</b>	<b>1,669,300</b>	<b>196,937</b>	<b>1,472,363</b>	<b>12%</b>	<b>1,718,540</b>
<b>Expenditures:</b>						
Title I, including set-asides	604,457	618,222	277,400	340,822	45%	605,778
Title II (Teacher Trng.)	121,441	121,441	48,169	73,272	40%	126,626
Title III - ELL	67,370	67,370	15,633	51,737	23%	58,448
Title III Set-Aside	698	698	-	698	0%	5,658
Carl Perkins Grant	25,700	25,700	25,921	(221)	101%	23,338
Math and Science Grant	273,621	273,621	49,261	224,360	18%	122,690
RTTT Early Childhood Readiness, Federal	3,500	3,500	-	3,500	0%	30,785
Other local grants	558,748	558,748	118,499	440,249	21%	745,217
<b>Total Expenditures</b>	<b>1,655,535</b>	<b>1,669,300</b>	<b>534,883</b>	<b>1,134,417</b>	<b>32%</b>	<b>1,718,540</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>-</b>	<b>-</b>	<b>(337,946)</b>	<b>337,946</b>	<b>N/A</b>	<b>-</b>
<b>Other Financing Sources (Uses):</b>						
Operating transfers in	-	-	-	-	NA	-
Operating transfers (out)	-	-	-	-	NA	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>NA</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(337,946)</b>	<b>337,946</b>	<b>NA</b>	<b>-</b>
<b>Fund Balances:</b>						
Beginning	-	-	-	-	-	-
Ending	-	-	(337,946)	-	-	-

**Garfield School District Re-2**  
**Student Activity Fund**  
**December 31, 2016 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 Senior 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
<b>TOTAL REVENUES</b>	<u><u>736,585</u></u>	<u><u>736,585</u></u>



**Garfield School District RE-2**  
**Pupil Activity Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Year-to-Date December 31, 2016**

	2016-17				2015-16
	Original & Current Budget	YTD Actual	Remaining Budget	% Budget Used	
<b>Revenues:</b>					
Student activities	736,585	311,989	424,596	42%	663,124
<b>Total Revenues</b>	<b>736,585</b>	<b>311,989</b>	<b>424,596</b>	<b>42%</b>	<b>663,124</b>
<b>Expenditures:</b>					
Highland Elem. (141)	5,750	1,836	3,914	32%	2,261
Graham Mesa Elem. (145)	8,500	2,940	5,560	35%	6,369
Wamsley Elem. (151)	10,650	2,310	8,340	22%	5,859
Cactus Valley Elem (171)	7,150	1,463	5,687	20%	8,847
Kathryn Senior Elem (181)	11,375	12,426	(1,051)	109%	11,087
Elk Creek Elementary (182)	6,200	3,645	2,555	59%	8,457
Rifle Middle (262)	96,800	33,831	62,969	35%	73,185
Riverside Middle (282)	56,650	11,358	45,293	20%	39,256
Rifle High (363)	315,270	124,143	191,127	39%	283,252
Coal Ridge High School (375)	160,740	87,927	72,813	55%	202,194
Central/Other	57,500	1,735	55,765	3%	6,506
<b>Total Expenditures</b>	<b>736,585</b>	<b>283,613</b>	<b>452,972</b>	<b>39%</b>	<b>647,273</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>-</b>	<b>28,375</b>	<b>(28,375)</b>	<b>NA</b>	<b>15,851</b>
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	-	-	-	NA	-
Operating transfers (out)	-	-	-	NA	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>NA</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>28,375</b>	<b>(28,375)</b>	<b>NA</b>	<b>15,851</b>
<b>Fund Balances:</b>					
Beginning	339,177	390,030			374,179
Ending	339,177	418,405			390,030

**Garfield School District Re-2**  
**Bond Redemption Fund**  
**December 31, 2016 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>Ending</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
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
<b>TOTAL</b>	<b>\$ 92,365,000</b>	<b>\$ 22,589,064</b>	<b>\$ 114,954,064</b>

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 December 31, 2016

	2016-17				
	Original & Current Budget	YTD Actual	Remaining Budget	% Budget Used	2015-16
<b>Revenues:</b>					
Property taxes	8,857,808	114,215	8,743,593	1%	9,007,804
Delinquent Property Taxes	-	6,704	(6,704)	NA	(24,490)
Earnings on Investments	-	2,160	(2,160)	NA	(754)
<b>Total Revenues</b>	<b>8,857,808</b>	<b>123,078</b>	<b>8,734,730</b>	<b>1%</b>	<b>8,982,560</b>
<b>Expenditures:</b>					
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	2,430	27,570	8%	115,179
<b>Total Expenditures</b>	<b>8,857,808</b>	<b>7,373,773</b>	<b>1,484,036</b>	<b>83%</b>	<b>8,928,432</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>-</b>	<b>(7,250,694)</b>	<b>7,250,694</b>	<b>NA</b>	<b>54,128</b>
<b>Other Financing Sources (Uses):</b>					
Bond Proceeds	-	-	-	NA	8,900,000
Premium on Bonds	-	-	-	NA	1,076,512
Payment refund bond escrow agent	-	-	-	NA	(9,859,169)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>NA</b>	<b>117,343</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(7,250,694)</b>	<b>7,250,694</b>	<b>NA</b>	<b>171,471</b>
<b>Fund Balances:</b>					
Beginning	12,117,457	12,247,433			12,075,962
Ending	12,117,457	4,996,739			12,247,433

**Garfield School District Re-2**  
**Capital Projects Fund**  
**December 31, 2016 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 &amp; Start Date</i>	<i>FY 2016-17</i>	
	<i>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**  
**December 31, 2016 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 y to keep up with depreciation on the buildings and equipment.

<b>Program</b>	<b>Deferred Capital Projects (NOTE A)</b>	<b>Years 2 - 5</b>	<b>Years 6 - 10</b>	<b>Years 11 - 15</b>
<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
<b>TOTAL Before Bond Items</b>	<b>\$ 14,567,808</b>	<b>\$ 13,832,019</b>	<b>\$ 19,719,119</b>	<b>\$ 13,816,862</b>
<i>Bond Construction Possibilities</i>	475,000	27,995,000	-	-
<b>TOTAL Before Bond Items</b>	<b>\$ 15,042,808</b>	<b>\$ 41,827,019</b>	<b>\$ 19,719,119</b>	<b>\$ 13,816,862</b>

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 December 31, 2016

	2016-17					
	Original Budget	Current Budget	YTD Actual	Remaining Budget	% Budget Used	2015-16
<b>Revenues:</b>						
Other local revenue	-	226,253	1,800	224,453	1%	18,200
<b>Total Revenues</b>	-	226,253	1,800	224,453	1%	18,200
<b>Expenditures:</b>						
<b>Capital Outlay:</b>						
Vehicles	118,000	158,120	30,988	127,132	20%	271,604
Land and building	588,876	927,311	844,017	83,294	91%	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
<b>Total Expenditures</b>	906,818	1,275,717	1,067,928	207,789	84%	1,459,605
<b>Excess (Deficiency) of Revenues over Expenditures</b>	(906,818)	(1,049,464)	(1,066,128)	16,664	102%	(1,441,405)
<b>Other Financing Sources (Uses):</b>						
Lease proceeds	-	-	-	-	NA	-
Transfer In	906,818	976,075	-	976,075	NA	1,540,549
<b>Total Other Financing Sources (Uses)</b>	906,818	976,075	-	976,075	NA	1,540,549
<b>Net Change in Fund Balance</b>	-	(73,389)	(1,066,128)	992,739	102%	99,144
<b>Fund Balances:</b>						
Beginning	265,137	346,081	346,081			246,937
Ending	265,137	272,692	(720,047)			346,081

**Garfield School District Re-2**  
**Pupil Activity Agency Fund**  
**December 31, 2016 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 Senior 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
<b>TOTAL REVENUES</b>	<b><u>123,375</u></b>

**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 Senior, 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 December 31, 2016

	2016-17				2015-16
	Original Budget	YTD Actual	Remaining Budget	% Budget Used	
<b>Revenues:</b>					
Student activities	123,575	67,044	56,531	54%	105,655
<b>Total Revenues</b>	<u>123,575</u>	<u>67,044</u>	<u>56,531</u>	<u>54%</u>	<u>105,655</u>
<b>Expenditures:</b>					
Student activities	123,375	51,613	71,762	42%	107,431
<b>Total Expenditures</b>	<u>123,375</u>	<u>51,613</u>	<u>71,762</u>	<u>42%</u>	<u>107,431</u>
<b>Excess (Deficiency) of Revenues     over Expenditures</b>	<u>200</u>	<u>15,431</u>	<u>(15,231)</u>	<u>7716%</u>	<u>(1,776)</u>
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	-	-	-	NA	-
Operating transfers (out)	-	-	-	NA	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>NA</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>200</u>	<u>15,431</u>	<u>(15,231)</u>	<u>7716%</u>	<u>(1,776)</u>
<b>Fund Balances:</b>					
Beginning	41,115	39,340			41,116
Ending	<u>41,315</u>	<u>54,771</u>			<u>39,340</u>