

**LAKE COUNTY SCHOOL DISTRICT R-1
LEADVILLE, COLORADO
FINANCIAL STATEMENTS
JUNE 30, 2013**

LAKE COUNTY SCHOOL DISTRICT R-1

**ROSTER OF SCHOOL OFFICIALS
JUNE 30, 2013**

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Lake County School District R-1
Leadville, Colorado

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 remaining fund information of Lake County School District R-1 (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In our opinion, 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 remaining fund information of the District, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–13 and 44–49 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information and the Colorado Department of Education Auditor's Integrity Report, as listed in the table of contents, are presented for purposes of legal compliance and additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, the schedule of expenditures of federal awards and the auditor's integrity report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, the schedule of expenditures of federal awards and the auditor's integrity report are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2013, on our consideration of the District'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 District's internal control over financial reporting and compliance.

Dazzio & Plutt, LLC

September 30, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

LAKE COUNTY SCHOOL DISTRICT R-1

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

The discussion and analysis of Lake County School District R-1's (the "District") financial performance provides an overall review of the district's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements, notes to the financial statements, budgetary comparison schedules and additional supplementary information to broaden their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

The District's budget continues to remain fairly constant. Any increases in revenue are used to offset the additional cost of salary and benefits for staff. The District's continues to maintain a healthy fund balance in the General Fund. The District budgets sufficient contingencies to cover any unanticipated operational needs. For the year ended June 30, 2013 the District's total net position increased by \$886,673 to \$14,118,941. Much of this increase was in the governmental activities which increased \$868,713.

Of the governmental activities net asset total of \$14,099,279, 19%, or \$2,622,310 is unrestricted and may be used to meet the District's obligations to the public and creditors.

The total cost of the District's programs increased \$440,089, or 3.8%, compared to 2012. Total revenues increased \$1,082,774 or 9.1%, compared to 2012.

The General Fund reported a fund balance of \$2,023,529 as of June 30, 2013, a decrease of \$167,502. Of this amount, \$1,648,023, or 81% is unassigned.

In November 2012, the voters approved the issuance of general obligation bonds amounting to \$11,396,379, representing the District's matching funds to a \$15,107,624 State of Colorado Building Excellent Schools Today (BEST) grant for the purpose of renovating and upgrading Lake County High School. As of June 30, 2013, the District had expended approximately \$1.37 million on the project.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to Lake County School District's basic financial statements. The basic financial statements presented are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. Additional information consists of supplementary information and single audit information.

Government-wide Financial Statements

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of changes in the financial position of the District. Current and previous year information is presented for comparison.

LAKE COUNTY SCHOOL DISTRICT R-1

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

The *statement of activities* presents information reporting how the District's net position changed during fiscal year 2013. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows for future fiscal periods. Earned but unused vacation leave and uncollected taxes are examples of these types of items.

Both government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the District include instruction, pupil activities, instructional support, general and school administration, business and central services, and transportation. The business-type activities of the District include Food Services.

The Government-wide financial statements can be found on pages 14-16 of this report.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All District funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District uses seven Governmental Funds. The General Fund is the largest Governmental Fund and encompasses most of the District's revenues and expenditures. The other six funds consist of the Designated Grants Fund, the Center Fund, the Head Start Program Fund, the Bond Redemption Fund, the Capital Reserve Fund and the Building Fund. An annual appropriated budget for the District is adopted for each fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget. The governmental fund financial statements can be found on pages 17 through 22 of this report.

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MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

Proprietary Fund

This fund accounts for operations that are organized to be self-supporting through user charges. The fund included in this category is the Enterprise Fund. Enterprise funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The District uses an enterprise fund to account for its food service operation. The Enterprise Fund financial statements can be found on pages 23 through 25 of this report.

Fiduciary Fund

The District acts as the agent for assets that belong to others, such as memorials, scholarships and student activity funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purpose. These activities are not included in the district-wide financial statements because it cannot use these assets to finance its operations. The basic fiduciary fund financial statements can be found on page 26 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is useful to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-43 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the District. The District adopts an annual appropriated budget for all funds, except Agency funds. A budgetary comparison schedule has been provided for the General Fund and the Designated Grants Fund to demonstrate compliance with this budget.

Supplementary Information

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Additionally, budget to actual schedules are presented for all other funds not presented as part of the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. Assets exceeded liabilities by \$14,118,941 at June 30, 2013.

By far the largest portion of the District's net assets reflects its \$9,988,549 investment in capital assets net of accumulated depreciation and related debt. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay

LAKE COUNTY SCHOOL DISTRICT R-1

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District’s net position represents resources that are subject to external restriction on how they may be used. At June 30, 2013, net position totaling \$1,488,420 were restricted, with \$1,112,914 restricted for debt service, \$80,506 for pre-school, and \$295,000 for TABOR emergencies. The remaining \$2,641,972 is unrestricted and available for use at the District’s discretion.

At June 30, 2013 and June 30, 2012 the District reported positive net position balances for the District as a whole, as well as for its separate governmental and business-type activities.

For fiscal year 2013, the District’s net position increased by \$886,673 resulting from excess revenues over expenses. The increase is mainly the result of increases in property taxes resulting from a 19% increase in assessed valuation and the increase in the 2013 debt service mill levy because of the successful 2012 bond election.

**Government-wide Financial Analysis
Table 1 -Condensed Statement of Net Position**

	2013			2012		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current Assets	\$ 4,401,625	\$ 43,299	\$ 4,444,924	\$ 4,394,947	\$ 21,387	\$ 4,416,334
Restricted Assets	26,442,164	-	26,442,164	688,106	-	688,106
Capital Assets - Net	11,471,382	-	11,471,382	9,742,961	-	9,742,961
Total Assets	42,315,171	43,299	42,358,470	14,826,014	21,387	14,847,401
Current Liabilities	17,161,391	23,637	17,185,028	1,378,755	19,685	1,398,440
Long-term Liabilities	11,054,501	-	11,054,501	216,693	-	216,693
Total Liabilities	28,215,892	23,637	28,239,529	1,595,448	19,685	1,615,133
Net Position:						
Net Investment in						
Capital Assets	9,988,549	-	9,988,549	9,517,961	-	9,517,961
Restricted	1,488,420	-	1,488,420	2,020,533	-	2,020,533
Unrestricted	2,622,310	19,662	2,641,972	1,692,072	1,702	1,693,774
Total Net Position	\$14,099,279	\$ 19,662	\$14,118,941	\$13,230,566	\$ 1,702	\$13,232,268

Governmental Activities. For fiscal year 2013, governmental activities increased the District’s net position by \$868,713 from \$13,230,566 to \$14,099,279.

- The cost of all governmental activities for the current fiscal year was \$11,444,569.
- Users of some of the District’s governmental programs paid \$112,666 for services.

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**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

- The federal and state governments subsidized certain programs with capital/operating grants and contributions totaling \$3,240,624.
- Most District governmental activities were funded by district and state taxpayers.
- For fiscal year 2013 this portion of governmental activities was funded with \$5,111,158 in property and specific ownership taxes, \$3,923,685 of unrestricted state equalization based on the statewide education aid formula and investment earnings of \$5,149.

Business-type Activities. For fiscal year 2013, net position for the District’s business-type activities increased \$17,960 from \$1,702 to \$19,662. This was mainly due to a transfer from the General Fund of \$80,000.

**Government-wide Financial Analysis
Table 2 -Condensed Statement of Activities**

	2013			2012		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Program Revenues:						
Charges for Services	\$ 112,666	\$ 120,778	\$ 233,444	\$ 122,505	\$ 121,918	\$ 244,423
Operating Grants	2,596,907	449,610	3,046,517	2,648,742	419,396	3,068,138
Capital Grants	643,717	-	643,717	71,228	-	71,228
Total Program Revenues	3,353,290	570,388	3,923,678	2,842,475	541,314	3,383,789
General Revenues:						
Taxes	5,111,158	-	5,111,158	3,915,476	-	3,915,476
State Equalization	3,923,685	-	3,923,685	4,577,345	-	4,577,345
Investment Income	5,149	-	5,149	4,286	-	4,286
Transfers	(80,000)	80,000	-	-	-	-
Total General Revenues	8,959,992	80,000	9,039,992	8,497,107	-	8,497,107
Total Revenues	12,313,282	650,388	12,963,670	11,339,582	541,314	11,880,896
Expenses						
Instruction	5,765,269	-	5,765,269	5,740,923	-	5,740,923
Supporting Services	4,050,362	-	4,050,362	3,908,161	-	3,908,161
Community Services	830,844	-	830,844	818,256	-	818,256
Non-Capitalized Property	63,679	-	63,679	8,291	-	8,291
Debt Service Interest	172,626	-	172,626	9,725	-	9,725
Food Service	-	632,428	632,428	-	630,984	630,984
Unallocated Depreciation	561,789	-	561,789	520,568	-	520,568
Total Expenses	11,444,569	632,428	12,076,997	11,005,924	630,984	11,636,908
Change in Net Position	868,713	17,960	886,673	333,658	(89,670)	243,988
Net Position - Beginning	13,230,566	1,702	13,232,268	12,896,908	91,372	12,988,280
Net Position - Ending	\$14,099,279	\$ 19,662	\$14,118,941	\$13,230,566	\$ 1,702	\$13,232,268

LAKE COUNTY SCHOOL DISTRICT R-1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's *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. In particular, *unreserved fund balance* may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the major operating fund of the District, providing the majority of the resources for the educational and support programs. Revenues for the General Fund totaled \$8,912,998 in fiscal year 2013 compared to \$9,073,517 in fiscal year 2012, a decrease of 1.8%. Expenditures totaled \$9,000,500 compared to \$8,889,662, an increase of 1.2%.

Revenues

Property Taxes. General Fund property tax revenues increased \$496,774 due to an increase in the assessed valuation of 19%. Property taxes accounted for 44% of the District's General Fund revenue.

Specific Ownership Taxes. Specific ownership tax is applied to the fair value of vehicles registered in Colorado. Specific ownership tax increased \$38,659, or 16%.

State Equalization. State equalization revenue decreased 14.3% in fiscal year 2013 and accounted for 44% of the District's General Fund revenue.

State and Federal Grants. State and federal grants revenue remained consistent, only decreasing by 3% in fiscal year 2013 and accounted for 7% of the District's General Fund revenue.

Revenues	2013	2012	Amount of Change	Percentage Change
Property Taxes	\$ 3,965,317	\$ 3,468,543	\$ 496,774	14.3%
Specific Ownership Tax	282,799	244,140	38,659	15.8%
State Equalization	3,923,685	4,577,345	(653,660)	-14.3%
State Grants	444,549	438,336	6,213	1.4%
Federal	211,521	237,643	(26,122)	-11.0%
Investment Income	3,699	3,507	192	5.5%
Miscellaneous	81,428	104,003	(22,575)	-21.7%
Total	\$ 8,912,998	\$ 9,073,517	\$ (160,519)	-1.8%

LAKE COUNTY SCHOOL DISTRICT R-1

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

Expenditures

Overall expenditures for the General Fund increased just 1.2% from the previous year.

Expenditures	2013	2012	Amount of Change	Percentage Change
Instruction	\$ 5,371,453	\$ 5,229,940	\$ 141,513	2.7%
Students	272,790	333,556	(60,766)	-18.2%
Instructional Staff	428,856	398,774	30,082	7.5%
General Administration	329,383	332,439	(3,056)	-0.9%
School Administration	701,936	607,298	94,638	15.6%
Business	76,444	74,764	1,680	2.2%
Operations and Maintenance	1,251,784	1,301,658	(49,874)	-3.8%
Student Transportation	409,096	428,665	(19,569)	-4.6%
Risk Management	158,758	182,568	(23,810)	-13.0%
	<u>\$ 9,000,500</u>	<u>\$ 8,889,662</u>	<u>\$ 110,838</u>	<u>1.2%</u>

Other Major Funds

The Designated Grants Fund is used to maintain separate accounting for federal, state and local grant funded programs, which normally have a different fiscal period than that of the District. Total revenues for the Designated Grants fund were \$906,110, which equaled expenditures.

The Bond Redemption Debt Service Fund is used to account for the requirements of the series 2004 and 2012 general obligation bonds. The primary revenue source for the Bond Redemption Debt Service Fund is a voter approved floating mill levy of 6.352 mills which generated \$863,042. The Bond Redemption Debt Service Fund expenditures primarily reflect principal and interest costs on the District's general obligation debt.

The Capital Reserve Fund is used to acquire land and improvements, new facilities, additions, repairs and renovations to existing facilities, equipment and safety upgrades. Total revenues for the Capital Reserve Fund were \$820,359, while expenditures totaled \$879,341. The most significant revenue source was provided by a BEST grant of \$644,000 to fund renovations and upgrades to West Park Elementary School, which accounted for \$724,000 of expenditures.

The Building Fund accounts for the proceeds of the 2012 general obligation bonds amounting to \$11,396,379 and a grant amounting to \$15,107,624 from the State of Colorado Building Excellent Schools Today (BEST) grant for the purpose of renovating and upgrading Lake County High School. As of June 30, 2013, the District had expended approximately \$1.37 million on the project.

LAKE COUNTY SCHOOL DISTRICT R-1

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

Proprietary Fund

The District's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of this fund have already been addressed in the discussion of the District's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total budgeted appropriations for the General Fund adopted by the Board of Education for fiscal year 2013 were \$11.00 million. The adopted budget was modified in December 2012 to reflect changes in funding for a final General Fund budget of \$11.06 million.

In fiscal year 2013, property tax revenues received in the General Fund was \$3,965,317 compared to last year's amount of \$3,468,543. The sizeable increase from fiscal year 2012 to fiscal year 2013 was due to the increase in assessed valuation because of the County Assessor's recertification of property. Actual property tax revenues were approximately \$416,000 more than the original budget and \$35,000 less than the amended budgeted.

State Equalization funds amounted to \$3,923,685 compared to last year's amount of \$4,577,345. This was approximately \$595,000 less than the original budget and \$15,000 more than the amended budgeted.

In fiscal year 2013, final budgeted expenditures for the General Fund totaled \$11.06 million while actual expenditures totaled \$9.00 million (\$8.9 million in 2012).

LAKE COUNTY SCHOOL DISTRICT R-1

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - As of June 30, 2013 total capital asset were \$11,471,382. This is a net increase of \$1,728,421 from June 30, 2012. The District's primary expenditures were from improvements to West Park Elementary School and the beginning of high school project as well as the purchase of a new school bus. The following is a summary of the of the District's capital asset balances.

	<u>Balance 6/30/2012</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance 6/30/2013</u>
Governmental activities				
Capital assets not being depreciated				
Land and sites	\$ 186,526	\$ -	\$ -	\$ 186,526
Construction in Process	406,881	2,091,491	1,130,539	1,367,833
Total Capital assets not being depreciated	<u>593,407</u>	<u>2,091,491</u>	<u>1,130,539</u>	<u>1,554,359</u>
Capital assets being depreciated				
Buildings	16,190,690	1,130,539	-	17,321,229
Transportation equipment	1,477,224	157,820	113,544	1,521,500
Other equipment	298,535	40,899	5,918	333,516
Total capital assets being depreciated	<u>17,966,449</u>	<u>1,329,258</u>	<u>119,462</u>	<u>19,176,245</u>
Less accumulated depreciation				
Buildings	7,714,942	396,929	-	8,111,871
Transportation equipment	905,545	120,911	113,544	912,912
Other equipment	196,408	43,949	5,918	234,439
Total accumulated depreciation	<u>8,816,895</u>	<u>561,789</u>	<u>119,462</u>	<u>9,259,222</u>
Governmental activities capital assets, net	<u>\$ 9,742,961</u>	<u>\$ 2,858,960</u>	<u>\$ 1,130,539</u>	<u>\$ 11,471,382</u>
Business-type activities				
Capital assets being depreciated				
Equipment and furniture	\$ 165,285	\$ -	\$ -	\$ 165,285
Less accumulated depreciation				
Equipment and furniture	165,285	-	-	165,285
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional information on the District's capital assets may be found in Note 4 in the Notes to the Financial Statements section.

LAKE COUNTY SCHOOL DISTRICT R-1

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

Long-term Debt - The long-term debt as of June 30, 2013 is \$11,633,703. As mentioned earlier, the District issued \$11,396,979 general obligation bonds to renovate the Lake County High School. The following is a summary of the District's long-term debt balances.

	Balance			Balance
	July 1, 2012	Additions	Deletions	June 30, 2013
General Obligation Bonds, Series 2004	\$ 225,000	\$ -	\$ 110,000	\$ 115,000
General Obligation Bonds, Series 2012	-	11,396,979	-	11,396,979
Early Retirement Obligations	169,192	25,924	73,392	121,724
Total Long -Term Obligations	<u>\$ 394,192</u>	<u>\$ 11,422,903</u>	<u>\$ 183,392</u>	<u>\$ 11,633,703</u>

Additional information on the District's capital assets may be found in Note 7 in the Notes to the Financial Statements section.

FACTORS BEARING ON DISTRICT'S FUTURE

Over the past few years, the District was able to continue to build our fund balance. However, that is not the case this year. The District enrollment for 2013 decreased 57 FTE and will have a significant impact on our fund balance in the future. The state averaging will continue to have an impact on future years if the declining enrollment trend continues. The District will have continued financial challenges with the maintenance of effort in staffing and operational costs if the decline continues.

Increased teachers' salaries will need to be maintained for retention purposes, but the decrease in enrollment will affect our staffing. Our District continues to rely on grant dollars for many programs. The acquisition of grants will need to continue in order to maintain the current programs for our students. Our capital project needs exceed the amount we are able to set aside for capital projects. The District continues to need support from the state capital construction grant dollars.

Requests for Information

This financial report is designed to provide a general overview of the Lake County School District R 1's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Manager, 107 Spruce Street, Leadville, Colorado 80461.

BASIC FINANCIAL STATEMENTS

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LAKE COUNTY SCHOOL DISTRICT R-1

**STATEMENT OF NET ASSETS
JUNE 30, 2013**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Investments	\$ 3,410,779	\$ 6,514	\$ 3,417,293
Restricted Cash and Investments	26,442,164	-	26,442,164
Cash with County Treasurer	504,563	-	504,563
Property Taxes	177,302	-	177,302
Grants Receivable	274,004	41,666	315,670
Internal Balances	34,977	(34,977)	-
Inventory	-	30,096	30,096
Capital Assets Not Being Depreciated	1,554,359		1,554,359
Capital Assets, net	9,917,023	-	9,917,023
TOTAL ASSETS	<u>42,315,171</u>	<u>43,299</u>	<u>42,358,470</u>
LIABILITIES			
Accounts Payable	130,936	2,963	133,899
Accounts Payable from Restricted Assets	427,883	-	427,883
Accrued Salaries and Benefits	877,032	20,674	897,706
Unearned Revenue	15,182,200	-	15,182,200
Bonds Payable - Current	543,340	-	543,340
Bonds Payable	10,968,639	-	10,968,639
Accrued Compensated Absences	85,862	-	85,862
TOTAL LIABILITIES	<u>28,215,892</u>	<u>23,637</u>	<u>28,239,529</u>
NET POSITION			
Net Investment in Capital Assets	9,988,549	-	9,988,549
Restricted for:			
Labor Emergency	295,000	-	295,000
Debt Service	1,112,914	-	1,112,914
Colorado Preschool Program	80,506	-	80,506
Unrestricted	2,622,310	19,662	2,641,972
TOTAL NET POSITION	<u>\$ 14,099,279</u>	<u>\$ 19,662</u>	<u>\$ 14,118,941</u>

The accompanying notes are an integral part of the financial statements.

LAKE COUNTY SCHOOL DISTRICT R-1

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
GOVERNMENTAL ACTIVITIES:				
Current:				
Instruction	\$ 5,765,269	\$ -	\$ 1,607,339	\$ -
Supporting Services	4,050,362	25,190	11,218	-
Community Services	830,844	87,476	801,709	-
Property	63,679	-	176,641	643,717
Interest on Long-Term Debt	172,626	-	-	-
Unallocated Depreciation	561,789	-	-	-
TOTAL GOVERNMENT ACTIVITIES	11,444,569	112,666	2,596,907	643,717
BUSINESS-TYPE ACTIVITIES:				
Food Services	632,428	120,778	449,610	-
TOTAL	\$ 12,076,997	\$ 233,444	\$ 3,046,517	\$ 643,717

GENERAL REVENUES:

Taxes:

- Property Taxes, General
- Property Taxes, Debt Service
- Specific Ownership Taxes
- State Equalization (Unrestricted)
- Investment Earnings

TRANSFERS

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION - Beginning

NET POSITION - Ending

The accompanying notes are an integral part of the financial statements.

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
\$ (4,157,930)	\$ -	\$ (4,157,930)
(4,013,954)	-	(4,013,954)
58,341	-	58,341
756,679	-	756,679
(172,626)	-	(172,626)
(561,789)	-	(561,789)
<u>(8,091,279)</u>	<u>-</u>	<u>(8,091,279)</u>
	\$ (62,040)	(62,040)
<u>(8,091,279)</u>	<u>(62,040)</u>	<u>(8,153,319)</u>
3,965,317	-	3,965,317
863,042	-	863,042
282,799	-	282,799
3,923,685	-	3,923,685
5,149	-	5,149
<u>(80,000)</u>	<u>80,000</u>	<u>-</u>
<u>8,959,992</u>	<u>80,000</u>	<u>9,039,992</u>
868,713	17,960	886,673
<u>13,230,566</u>	<u>1,702</u>	<u>13,232,268</u>
<u>\$ 14,099,279</u>	<u>\$ 19,662</u>	<u>\$ 14,118,941</u>

LAKE COUNTY SCHOOL DISTRICT R-1

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2013

(With Comparative Totals for June 30, 2012)

	<u>GENERAL</u>	<u>DESIGNATED GRANTS</u>	<u>BOND REDEMPTION</u>
ASSETS			
Cash and Investments	\$ 2,208,585	\$ 69,006	\$ -
Restricted Cash and Investments	-	-	877,511
Cash with County Treasurer	110,738	-	393,825
Property Taxes	144,861	-	32,441
Grants Receivable	103,635	101,185	-
Due from Other Funds	386,837	-	-
TOTAL ASSETS	<u><u>\$ 2,954,656</u></u>	<u><u>\$ 170,191</u></u>	<u><u>\$ 1,303,777</u></u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 91,869	\$ 19,360	\$ -
Accounts Payable from Restricted Assets	-	-	-
Accrued Salaries and Benefits	772,165	49,024	-
Unearned Revenue	67,093	-	-
Due to Other Funds	-	101,807	190,863
TOTAL LIABILITIES	<u>931,127</u>	<u>170,191</u>	<u>190,863</u>
FUND BALANCES			
Restricted For:			
Tabor Emergency	295,000	-	-
Debt Service	-	-	1,112,914
Colorado Preschool Program	80,506	-	-
Capital Projects	-	-	-
Assigned:			
Other Purposes	-	-	-
Unassigned	1,648,023	-	-
TOTAL FUND BALANCES	<u>2,023,529</u>	<u>-</u>	<u>1,112,914</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,954,656</u></u>	<u><u>\$ 170,191</u></u>	<u><u>\$ 1,303,777</u></u>

The accompanying notes are an integral part of the financial statements.

CAPITAL RESERVE	BUILDING	TOTAL NONMAJOR FUNDS	TOTAL	
			2013	2012
\$ 1,074,826	\$ -	\$ 58,362	\$ 3,410,779	\$ 3,249,660
-	25,564,653	-	26,442,164	688,106
-	-	-	504,563	508,867
-	-	-	177,302	201,120
-	-	69,184	274,004	435,300
-	-	-	386,837	404,540
<u>\$ 1,074,826</u>	<u>\$ 25,564,653</u>	<u>\$ 127,546</u>	<u>\$ 31,195,649</u>	<u>\$ 5,487,593</u>
\$ 19,281	\$ -	\$ 426	\$ 130,936	\$ 344,437
-	427,883	-	427,883	-
-	-	19,981	841,170	837,373
-	15,107,624	7,483	15,182,200	19,446
-	-	59,190	351,860	404,540
<u>19,281</u>	<u>15,535,507</u>	<u>87,080</u>	<u>16,934,049</u>	<u>1,605,796</u>
-	-	-	295,000	285,000
-	-	-	1,112,914	531,049
-	-	-	80,506	89,957
-	10,029,146	-	10,029,146	1,114,527
1,055,545	-	40,466	1,096,011	45,190
-	-	-	1,648,023	1,816,074
<u>1,055,545</u>	<u>10,029,146</u>	<u>40,466</u>	<u>14,261,600</u>	<u>3,881,797</u>
<u>\$ 1,074,826</u>	<u>\$ 25,564,653</u>	<u>\$ 127,546</u>	<u>\$ 31,195,649</u>	<u>\$ 5,487,593</u>

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LAKE COUNTY SCHOOL DISTRICT R-1
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2013

Total Fund Balance - Governmental Funds		\$ 14,261,600
Total net Position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital Assets Cost	\$ 20,730,604	
Accumulated Depreciation	<u>(9,259,222)</u>	11,471,382
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position.		
Balances at year end are:		
Bonds Payable	(11,511,979)	
Early Retirement Liability	<u>(121,724)</u>	<u>(11,633,703)</u>
Net Position - Governmental Activities		<u><u>\$ 14,099,279</u></u>

The accompanying notes are an integral part of the financial statements.

LAKE COUNTY SCHOOL DISTRICT R-1

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

YEAR ENDED JUNE 30, 2013

(With Comparative Totals for the Year Ended June 30, 2012)

	<u>GENERAL</u>	<u>DESIGNATED GRANTS</u>	<u>BOND REDEMPTION</u>
REVENUES			
Local Sources	\$ 4,326,187	\$ -	\$ 864,491
Intermediate Sources	7,056	-	-
State Sources	4,368,234	105,481	-
Federal Sources	211,521	800,629	-
TOTAL REVENUES	<u>8,912,998</u>	<u>906,110</u>	<u>864,491</u>
EXPENDITURES			
Current:			
Instruction	5,371,453	441,284	-
Supporting Services	3,629,047	464,826	-
Community Support	-	-	-
Capital Outlay	-	-	-
Debt Service	-	-	282,626
TOTAL EXPENDITURES	<u>9,000,500</u>	<u>906,110</u>	<u>282,626</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(87,502)</u>	<u>-</u>	<u>581,865</u>
OTHER FINANCING SOURCES			
Debt Proceeds	-	-	-
Transfers In (Out)	(80,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(80,000)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(167,502)</u>	<u>-</u>	<u>581,865</u>
FUND BALANCES, Beginning	<u>2,191,031</u>	<u>-</u>	<u>531,049</u>
FUND BALANCES, Ending	<u>\$ 2,023,529</u>	<u>\$ -</u>	<u>\$ 1,112,914</u>

The accompanying notes are an integral part of the financial statements.

CAPITAL RESERVE	BUILDING	TOTAL NONMAJOR FUNDS	TOTAL	
			2013	2012
\$ 176,642	\$ -	\$ 333,327	\$ 5,700,647	\$ 4,595,074
-	-	-	7,056	2,929
643,717	-	-	5,117,432	5,203,723
-	-	555,997	1,568,147	1,537,856
<u>820,359</u>	<u>-</u>	<u>889,324</u>	<u>12,393,282</u>	<u>11,339,582</u>
-	-	-	5,812,737	5,735,514
-	-	63,204	4,157,077	4,115,659
-	-	830,844	830,844	818,256
879,341	1,367,833	-	2,247,174	751,093
-	-	-	282,626	114,725
<u>879,341</u>	<u>1,367,833</u>	<u>894,048</u>	<u>13,330,458</u>	<u>11,535,247</u>
<u>(58,982)</u>	<u>(1,367,833)</u>	<u>(4,724)</u>	<u>(937,176)</u>	<u>(195,665)</u>
-	11,396,979	-	11,396,979	-
-	-	-	(80,000)	-
-	11,396,979	-	11,316,979	-
<u>(58,982)</u>	<u>10,029,146</u>	<u>(4,724)</u>	<u>10,379,803</u>	<u>(195,665)</u>
<u>1,114,527</u>	<u>-</u>	<u>45,190</u>	<u>3,881,797</u>	<u>4,077,462</u>
<u>\$ 1,055,545</u>	<u>\$ 10,029,146</u>	<u>\$ 40,466</u>	<u>\$ 14,261,600</u>	<u>\$ 3,881,797</u>

LAKE COUNTY SCHOOL DISTRICT R-1

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013**

Net change in fund balances - governmental funds \$ 10,379,803

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capitalized Expenses	2,290,210
Depreciation Expense	(561,789)
Capital Assets, Net	1,728,421

The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to the governmental funds. However, issuing debt increases long-term liabilities on the statement of net assets, so this transaction has no effect on net position.

Debt Issued:

General Obligation Bonds	(11,396,979)
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Repayments of principal:

General Obligation Refunding Bonds	110,000
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Accrued compensated absences are recorded on the cash basis in the funds:

Accrued Compensated Absences Paid (Accrued) - net	47,468
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Change in net position of governmental activities \$ 868,713

The accompanying notes are an integral part of the financial statements.

LAKE COUNTY SCHOOL DISTRICT R-1

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 JUNE 30, 2013

(With Comparative Totals for June 30, 2012)

	BUSINESS-TYPE ACTIVITIES	
	ENTERPRISE FUND	
	FOOD SERVICE FUND	
	2013	2012
ASSETS		
Current Assets		
Cash and Investments	\$ 6,514	\$ 6,514
Grants Receivable	41,666	-
Inventory	30,096	14,873
Total Current Assets	78,276	21,387
Noncurrent Assets		
Equipment	165,285	165,285
Accumulated Depreciation Equipment	(165,285)	(165,285)
Total Noncurrent Assets	-	-
TOTAL ASSETS	78,276	21,387
LIABILITIES		
Current Liabilities		
Accounts Payable	2,963	2,694
Accrued Salaries and Benefits	20,674	16,991
Due to Other Funds	34,977	-
Total Current Liabilities	58,614	19,685
NET POSITION		
Unrestricted	19,662	1,702
TOTAL NET POSITION	\$ 19,662	\$ 1,702

The accompanying notes are an integral part of the financial statements.

LAKE COUNTY SCHOOL DISTRICT R-1

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUND
 YEAR ENDED JUNE 30, 2013
 (With Comparative Totals for the Year Ended June 30, 2012)**

	BUSINESS-TYPE ACTIVITIES	
	ENTERPRISE FUND	
	FOOD SERVICE FUND	
	2013	2012
OPERATING REVENUES		
Local Sources	\$ 120,778	\$ 121,918
OPERATING EXPENSES		
Salaries	249,634	233,132
Benefits	146,142	111,839
Purchased Services - Other	210	861
Supplies	6,573	5,385
Food	175,925	185,397
Milk	50,872	43,276
Commodities	3,072	51,094
TOTAL OPERATING EXPENSES	632,428	630,984
OPERATING LOSS	(511,650)	(509,066)
NONOPERATING REVENUES		
State Aid	9,075	8,235
Federal Aid		
National School Lunch Program	288,716	272,452
School Breakfast Program	73,698	69,953
Child and Adult Care Food Program	51,234	40,270
Donated Commodities	26,887	28,486
TOTAL NONOPERATING REVENUES	449,610	419,396
INCOME (LOSS) BEFORE TRANSFERS	(62,040)	(89,670)
Transfers In	80,000	-
CHANGE IN NET POSITION	17,960	(89,670)
NET POSITION, Beginning	1,702	91,372
NET POSITION, Ending	\$ 19,662	\$ 1,702

The accompanying notes are an integral part of the financial statements.

LAKE COUNTY SCHOOL DISTRICT R-1

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2013

(With Comparative Totals for the Year Ended June 30, 2012)

	BUSINESS-TYPE ACTIVITIES	
	ENTERPRISE FUND	
	FOOD SERVICE FUND	
	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities:		
Cash Received from Local Sources	\$ 155,755	\$ 121,918
Cash Paid to Employees	(392,093)	(346,450)
Cash Paid to Suppliers	(224,719)	(209,485)
Net Cash Provided (Used) for Operating Activities	<u>(461,057)</u>	<u>(434,017)</u>
Cash Flows From Noncapital Financing Activities:		
Cash Received from USDA	320,748	388,536
Cash Received from Colorado Nutrition Services	9,075	8,235
Cash Received from Child and Adult Care Food Program	51,234	40,270
Cash Transferred from General Fund	80,000	-
Net Cash Provided by Noncapital Financing Activities	<u>461,057</u>	<u>437,041</u>
Net Increase (Decrease) in Cash	-	3,024
Cash, Beginning	<u>6,514</u>	<u>3,490</u>
Cash, Ending	<u><u>\$ 6,514</u></u>	<u><u>\$ 6,514</u></u>
Reconciliation of Operating Income (Loss) to Net Cash		
Provided (Used) for Operating Activities:		
Operating Income (Loss)	<u>\$ (511,650)</u>	<u>\$ (509,066)</u>
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Provided (Used) by Operating Activities:		
Donated Commodities included in Operating Expenses	26,887	28,486
Changes in Assets and Liabilities Related to Operations:		
(Increase) Decrease in:		
Due from Other Funds	-	54,814
Inventory	(15,223)	(9,466)
Increase (Decrease) in:		
Accounts Payable	269	2,694
Accrued Salaries and Benefits	3,683	(1,479)
Due to Other Funds	34,977	-
Total Adjustments	<u>50,593</u>	<u>75,049</u>
Net Cash Provided (Used) for Operating Activities	<u><u>\$ (461,057)</u></u>	<u><u>\$ (434,017)</u></u>
Schedule of Non-Cash Items		
The District received the following amount of food supplies		
through the federal commodity distribution program	<u><u>\$ 26,887</u></u>	<u><u>\$ 28,486</u></u>

The accompanying notes are an integral part of the financial statements.

LAKE COUNTY SCHOOL DISTRICT R-1
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

	PUPIL ACTIVITY AGENCY FUND	
	2013	2012
ASSETS		
Cash	\$ 219,839	\$ 210,116
LIABILITIES		
Accounts Payable	\$ 219,839	\$ 210,116

The accompanying notes are an integral part of the financial statements.

LAKE COUNTY SCHOOL DISTRICT R-1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Lake County School District R - 1 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. Following is a summary of the more significant policies:

A. Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the District. In addition, any 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.

Based upon the application of these criteria, no additional organizations are included within the District's reporting entity.

B. Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds, even though the latter are excluded from the District's government-wide financial statements. Major individual governmental and proprietary funds are reported in separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

LAKE COUNTY SCHOOL DISTRICT R-1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Agency funds, however, are custodial in nature and do not present results of operations or have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. On an accrual basis, property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental Funds are used to account for the District's general government activities. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and capital leases are reported as other financing sources.

Those revenues subject to accrual are property taxes, interest revenue and charges for services. Specific ownership taxes collected and held by the county at year end, on behalf of the District, are also recognized as revenue. Other revenues, such as transportation, vocational and special education, are not subject to accrual because, generally, they are not measurable until received in cash. Entitlements and shared revenues are recorded at the time of receipt, or earlier if the accrual criteria are met.

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 ongoing operations. Operating expenses include the 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.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity, with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained by the District is consistent with legal and managerial requirements.

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NOTES TO THE FINANCIAL STATEMENTS
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The District reports the following major funds:

Major Governmental Funds

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

The ***Designated Grants Fund*** accounts for federal, state and local grant revenues and the related expenditures.

The ***Bond Redemption Fund*** accounts for property taxes restricted for the payment of general obligation debt issued by the District.

The ***Capital Reserve Fund*** accounts for resources to be used for ongoing capital needs, such as site acquisition, building additions and equipment purchases.

The ***Building Fund*** accounts for all resources available for acquiring capital sites, buildings, and equipment through the use of bond sale proceeds.

Major Proprietary Funds

The ***Food Service Enterprise Fund*** accounts for the financial activities associated with the District's breakfast and lunch program.

Additionally, the District reports the following fund types:

Fiduciary Funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the District under the terms of a formal trust agreement.

The ***Pupil Activity Agency Fund*** is used to account for resources used to support each school's student and fundraising activities.

The District reports the Center and Head Start Program Special Revenue Funds as non-major governmental funds.

D. Assets, Liabilities and Fund Balance/Net Position

1. Deposits and Investments

The District utilizes the pooled cash concept whereby cash balances of each of the District's funds are pooled and invested by the District.

Cash and investments are presented on the balance sheet in the basic financial statements at fair value.

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**NOTES TO THE FINANCIAL STATEMENTS
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For purposes of the statement of cash flows, the District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

2. Restricted Cash and Investments

Certain assets and their related liabilities whose use is restricted under grant requirements, construction, bonded debt service and other purposes by contractual agreement and/or debt indentures are segregated on the government-wide statement of net position and the fund balance sheets.

3. Interfund Receivables/Payables

Receivables and payables between individual funds are classified in the fund financial statements as interfund receivables and interfund payables. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as internal balances.

4. Property Taxes

Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses, pursuant to the Colorado school district funding formula. As 2012 property taxes were both measurable and available at June 30, 2013, the District has recognized a receivable (net of uncollectible portion) for property taxes levied January 1, 2013 but not collected by June 30, 2013.

Property Tax Revenues – Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor by December 10. Assessed values are an approximation of market value.

The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

5. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

6. Inventories

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

7. Capital Assets

Capital assets, which include buildings, site improvements, vehicles and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined by the District as assets

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with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Depreciation has been provided over the estimated useful lives of the asset in the government-wide presentation as well as in the proprietary fund. Depreciation is calculated using the straight-line method over the following useful lives:

Buildings and Sites	30 - 50 years
Transportation Equipment	10 years
Equipment and Furniture	5 - 15 years

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

9. Accrued Salaries and Benefits

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

10. Unearned Revenues

Unearned revenues include grants that have been collected but the corresponding expenditures have not been incurred.

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NOTES TO THE FINANCIAL STATEMENTS
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11. Compensated Absences

District employees are entitled to certain compensated absences based upon their length of employment. Except for vacation time, compensated absences do not vest or accumulate and are not recorded as expenditures when they are paid. Compensated absences (accrued vacation) are not reflected in the General Fund as the current amount due is determined to be insignificant. For those employees contracted to work a set number of days during a year, no vacation accrual accumulates.

Early Retirement - The District has periodically paid early retirement benefits to employees. The amount of this benefit varies depending on length of service. A long-term liability is reported in the government-wide financial statements for the benefits approved by the Board of Education and earned and accepted by the employees.

12. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. In the fund financial statements, governmental fund types the face amount of debt issued is reported as other financing sources. Issuance costs, even if withheld from the actual new proceeds received, are reported as debt service expenditures in both the government-wide and fund financial statements.

13. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Net Position

Net position represents the difference between the assets and liabilities in the proprietary and District-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The District reports the following restricted net positions:

TABOR Emergency – Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 13).

Debt Service – Represents the portion of fund balance that is legally restricted to payment of principal and interest on long-term debt maturing in future years.

Colorado Preschool Project – Represents the portion of fund balance that is legally restricted to the Colorado Preschool Program as defined by the School Finance Act of 1994, as amended.

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Capital Projects – represents the portion of unspent bond proceeds legally restricted to capital purposes as defined by the bond election and by contractual agreement.

Unrestricted net position represents assets that do not have any third party limitations on their use.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balances are classified as follows:

- *Nonspendable* - Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- *Restricted* - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- *Committed* - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education through the adoption of a resolution. The Board of Education also may modify or rescind the commitment.
- *Assigned* - Fund balances are reported as assigned when the Board of Education intends to use resources for a specific action but without a formal action.
- *Unassigned* - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The District reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the District's policy to use fund balance in the

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NOTES TO THE FINANCIAL STATEMENTS
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following order:

- Committed
- Assigned
- Unassigned

14. Revenues and Expenditures/Expenses

Revenues and Expenditures/Expenses – Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, fees and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Revenues and expenses of proprietary funds are recognized in essentially the same manner as in commercial accounting.

15. Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. An example of such an estimate that has been made by management is depreciation expense.

16. New Accounting Pronouncements

Effective June 1, 2012, the District implemented the provisions of GASB No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*" (GASB No. 63) and early implemented the provisions of GASB No. 65, "*Items Previously Reported as Assets and Liabilities*" (GASB No. 65).

GASB No. 63 provides guidance for reporting deferred outflows and deferred inflows of resources as introduced and defined in GASB Concepts Statement No. 4 "*Elements of Financial Statements*" (Concepts Statement No. 4). Concepts Statement No. 4 defines a deferred outflow of resources as a consumption of net assets that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net assets applicable to a future reporting period. The impact on the District's financial statements has been to replace the term "net assets" with "net position".

GASB No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets or liabilities. As a result, the District's receivable related to property taxes to be collected in 2013 is now treated as a deferred inflow of resources.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of expenditures over appropriations

For the year ended June 30, 2013, expenditures exceeded appropriations in the Head Start Program Fund and the Food Service Fund by 16,638 and \$8,050, respectively. This may be a violation of Colorado Revised Statutes. The excess expenditures were funded by available fund resources.

NOTE 3: CASH AND INVESTMENTS

The District holds the following cash and investments as of June 30, 2013:

Governmental Activities - Unrestricted	\$ 3,410,779
Governmental Activities - Restricted for Debt Service	877,511
Governmental Activities - Restricted for Capital Projects	25,564,653
Business-type Activities	6,514
Fiduciary Activities	219,839
Total Cash and Investments	<u>\$ 30,079,296</u>

The cash and investments are allocated in the financial statements as follows:

Deposits	\$ 744,064
Investments	<u>29,335,232</u>
	<u>\$ 30,079,296</u>

Deposits

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. 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 (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed 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 market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At June 30, 2013, all of the District's deposits as shown below were either insured by federal depository

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insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	BANK BALANCE	CARRYING BALANCE
FDIC Insurance	\$ 329,849	\$ 325,665
PDPA Collateralized	403,888	418,399
Total Deposits	\$ 733,737	\$ 744,064

Investments

Under Colorado statutes, the District may lawfully invest eligible funds in the following securities:

- Obligations of the United States and certain U.S. government agencies securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptance of certain banks
- Commercial paper holding the highest credit rating category and with a maturity within 180 days;
- Written repurchase agreements collateralized by certain authorized securities;
- Certain money market funds;
- Guaranteed investment contracts.
- Local government investment pools

As of June 30, 2013, the District's investments consisted of the following:

	Fair Value	Weighted Maturity in Days
Colotrust	\$ 3,770,579	1
Colorado Treasury Pool	25,564,653	1
Total Investments	\$ 29,335,232	

As of June 30, 2013, the District has invested \$3,770,579 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. Investments of the pool consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes. COLOTRUST is rated AAAM by Standard and Poor's.

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**NOTES TO THE FINANCIAL STATEMENTS
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In December 2013, the District received a Building Excellent Schools Today (BEST) grant from the State of Colorado in the amount of \$15,107,624 and issued General Obligation bonds in the amount of \$11,396,979 (See Note 5) to provide funds for the renovation of Lake County High School. The total proceeds of \$26,504,603 were deposited on December 6, 2012, under a guaranteed investment contract (GIC) with Zions First National Bank (Zions), who invests the funds with the State of Colorado Treasury Pool. Information regarding the investments of the Colorado Treasury Pool may be obtained from the Colorado State Treasurer. At June 30, 2013, the District had \$25,564,653 of funds remaining. At the conclusion of the project, the District may be required to return any unspent proceeds to the State of Colorado. At June 30, 2013, the amount of unspent proceeds has not been determined.

Interest Rate Risk

The District manages its interest rate risk by setting a maximum maturity date no more than five years from the date of purchase unless otherwise authorized by the Board of Education.

NOTE 4: CAPITAL ASSETS

Capital Asset Activity for the year ended June 30, 2013 was as follows:

	Balance 6/30/2012	Additions	Dispositions	Balance 6/30/2013
Governmental activities				
Capital assets not being depreciated				
Land and sites	\$ 186,526	\$ -	\$ -	\$ 186,526
Construction in Process	406,881	2,091,491	1,130,539	1,367,833
Total Capital assets not being depreciated	<u>593,407</u>	<u>2,091,491</u>	<u>1,130,539</u>	<u>1,554,359</u>
Capital assets being depreciated				
Buildings	16,190,690	1,130,539	-	17,321,229
Transportation equipment	1,477,224	157,820	113,544	1,521,500
Other equipment	298,535	40,899	5,918	333,516
Total capital assets being depreciated	<u>17,966,449</u>	<u>1,329,258</u>	<u>119,462</u>	<u>19,176,245</u>
Less accumulated depreciation				
Buildings	7,714,942	396,929	-	8,111,871
Transportation equipment	905,545	120,911	113,544	912,912
Other equipment	196,408	43,949	5,918	234,439
Total accumulated depreciation	<u>8,816,895</u>	<u>561,789</u>	<u>119,462</u>	<u>9,259,222</u>
Governmental activities capital assets, net	<u>\$ 9,742,961</u>	<u>\$ 2,858,960</u>	<u>\$ 1,130,539</u>	<u>\$ 11,471,382</u>
Business-type activities				
Capital assets being depreciated				
Equipment and furniture	\$ 165,285	\$ -	\$ -	\$ 165,285
Less accumulated depreciation				
Equipment and furniture	165,285	-	-	165,285
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The District does not allocate its depreciation expense against its governmental activity programs.

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**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 5: ACCRUED SALARIES AND BENEFITS

Salaries and retirement 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 nine to ten months. The District's salaries and benefits earned, but unpaid, as of June 30, 2013, are \$897,706, including \$35,862 of early retirement obligations. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the Governmental Activities of \$877,032, and Business-Type Activities statements of \$20,674.

NOTE 6: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2013, is as follows:

Due To:	Due From:				Total
	Designated Grants Fund	Bond Redemption Fund	Nonmajor Governmental Funds	Food Service Fund	
General Fund	\$ 101,807	\$ 190,863	\$ 59,190	\$ 34,977	\$ 386,837

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and, 3) provide additional resources for current operations or debt service.

During the year ended June 30, 2013, the General Fund transferred \$80,000 to the Food Service Fund to fund the operations of the fund.

NOTE 7: LONG-TERM DEBT

The following is an analysis of changes in long-term debt for the year ended June 30, 2013:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013	Current Portion
General Obligation Bonds, Series 2004	\$ 225,000	\$ -	\$ 110,000	\$ 115,000	\$ 115,000
General Obligation Bonds, Series 2012	-	11,396,979	-	11,396,979	428,340
Early Retirement Obligations	169,192	25,924	73,392	121,724	35,862
Total Long -Term Obligations	\$ 394,192	\$ 11,422,903	\$ 183,392	\$ 11,633,703	\$ 579,202

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NOTES TO THE FINANCIAL STATEMENTS
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General Obligation Bonds, Series 2004

\$1,000,000 General Obligation Bonds, Series 2004 were issued to finance improvements to District facilities. Principal payments are due annually on December 1. Interest payments are due semi-annually on June 1 and December 1. Interest accrues at rates ranging from 3% to 3.625%. The bonds are not callable. The bonds are rated AA- by Standard and Poor's.

General Obligation Bonds, Series 2012

\$11,396,379 General Obligation Bonds, Series 2012 were issued to finance improvements to the Lake County High School. Principal payments are due annually on December 1 beginning on December 1, 1, 2013 through 2032. Interest payments are due semi-annually on June 1 and December 1. Interest accrues at the rate of 3.005898%. The Bonds are subject to redemption prior to maturity at the option of the District, in whole but not in part, on December 1, 2022 and on any date thereafter, at a redemption price equal to the principal amount thereof and a redemption premium of 3% of the principal amount so redeemed, plus accrued interest to the redemption date.

The District's general obligation bonds will mature as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 543,340	\$ 338,228	\$ 881,568
2015	436,457	323,146	759,603
2016	449,577	309,830	759,407
2017	463,090	296,113	759,203
2018	477,010	281,984	758,994
2019-2023	2,608,945	1,182,660	3,791,605
2024-2028	3,025,348	759,998	3,785,346
2029-2033	3,508,212	269,877	3,778,089
	<u>\$ 11,511,979</u>	<u>\$ 3,761,835</u>	<u>\$ 15,273,814</u>

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NOTES TO THE FINANCIAL STATEMENTS

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Early Retirement Obligations

The District has offered early retirement incentives to staff that are payable over a five year period subsequent to retirement in the form of a monthly benefit. The current portion of the early retirement incentive has been included in the District's accrued salaries and benefits in the General Fund. Required payments related to the early retirement obligation are as follows:

<u>Fiscal Year</u>	<u>Early Retirement Obligations</u>
2014	\$ 57,120
2015	35,862
2016	19,766
2017	7,435
2018	1,541
Total	<u>\$ 121,724</u>

NOTE 8: JOINTLY GOVERNED ORGANIZATION

The District is a participant among nine other districts and the Colorado Mountain College in a jointly governed organization to operate the Mountain Board of Cooperative Educational Services (BOCES). The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. The BOCES is governed by a board of directors consisting of a member of the board of education and the superintendent from each of the participating members. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. For the year ended June 30, 2013 the District paid assessments totaling \$55,908 to the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 1713 Mount Lincoln Drive West, Leadville, CO 80461.

NOTE 9: DEFINED BENEFIT PENSION PLAN

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). The 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 the SDTF. That report may be obtained by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

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**NOTES TO THE FINANCIAL STATEMENTS
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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 2013, 2012 and 2011 was 15.65%, 14.75% and 13.85% of covered salaries, respectively. Also, a portion of the District's contribution (1.02% of covered salaries) was allocated to the Health Care Trust Fund (See Note 8). The District's contributions to the SDTF for the years ended June 30, 2013, 2012 and 2011 were \$867,587, \$864,413 and \$835,966, respectively, equal to their required contributions for each year.

NOTE 10: POSTEMPLOYMENT HEALTHCARE BENEFITS

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 as described previously.

Funding Policy.

The District was required to contribute at the 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 District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions of 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 ended June 30, 2013, 2012 and 2011 were \$58,632, \$57,941 and \$59,613, respectively, equal to their required contribution for each year.

NOTE 11: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District accounts for its risk activities in the General Fund.

The District purchases commercial insurance for its workers compensation risks. For its risk of property loss or damage and general liability, the District participates in the Colorado School Districts Self-Insurance Pool (CSDSIP).

The CSDSIP is sponsored by the Colorado Association of School Boards, and operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by a board which is comprised of eight members. The eight members include the president, vice president and executive director of the Colorado Association of School Boards

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**NOTES TO THE FINANCIAL STATEMENTS
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(CASB), with the remaining five members being appointed by the Board of Directors of CASB. The District pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The pool agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP. Settled claims have not exceeded this coverage in any of the past three years.

NOTE 12: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The District participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2013, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

Litigation

The District is involved in various litigations. District management estimates that the potential claims against the District not covered by insurance resulting from such litigation would be insignificant.

Significant Taxpayer

The assessed properties within the boundaries of Lake County include one taxpayer that represents approximately 30% of the total taxable assessed valuation of the County. Non-payment of taxes by this taxpayer would materially affect the revenues of the District.

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the Tabor Amendment.

Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded unless the District's electorate votes to retain the revenue. The Tabor Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment.

LAKE COUNTY SCHOOL DISTRICT R-1

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

In November 1996, voters within the District approved the following ballot question:

“WITHOUT INCREASING ANY TAX RATE OR IMPOSING ANY NEW TAX SHALL LAKE COUNTY SCHOOL DISTRICT R-1 BE AUTHORIZED TO COLLECT, KEEP AND EXPEND ALL GRANTS FROM STATE OR LOCAL GOVERNMENTS OR PRIVATE SOURCES RECEIVED IN THE YEARS 1996 TO AND INCLUDING 2001 WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION IN ARTICLE X SECTION 20 OF THE COLORADO CONSTITUTION OR OTHER LAWS OR OTHER LAWS OF THE STATE?”

The Tabor Amendment requires the District to establish a reserve for emergencies. At June 30, 2013, the District reserved \$295,000 in the General Fund for that purpose.

NOTE 13: NEW PRONOUNCEMENT

The GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions (Statement No. 68), which revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. The District provides its employees with pension benefits through a multiple employer cost-sharing defined benefit retirement program administered by the Public Employees' Retirement Association of Colorado (PERA).

Statement No. 68 requires cost-sharing employers participating in the PERA program, such as the District, to record their proportionate share, as defined in Statement No. 68, of PERA's unfunded pension liability. The District has no legal obligation to fund this shortfall nor does it have any ability to affect funding, benefits, or annual required contribution decisions made by PERA. The requirement of Statement No. 68 to record a portion of PERA's unfunded liability will negatively impact the District's future unrestricted net position. Statement No. 68 is effective for the fiscal year 2015. At this time, District management is unable to estimate the magnitude of this impact. Information regarding PERA's current funding status can be found in its Comprehensive Annual Financial Report.

REQUIRED SUPPLEMENTARY INFORMATION

LAKE COUNTY SCHOOL DISTRICT R-1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

YEAR ENDED JUNE 30, 2013

(With Comparative Totals for the Year Ended June 30, 2012)

	2013			VARIANCE WITH FINAL BUDGET POS (NEG)	2012 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Local Sources					
Property Taxes	\$ 3,509,067	\$ 3,940,879	\$ 3,825,539	\$ (115,340)	\$ 3,436,086
Specific Ownership Taxes	172,078	266,801	282,799	15,998	244,140
Delinquent Taxes	40,000	60,000	139,778	79,778	32,457
Interest	3,000	4,000	3,699	(301)	3,507
Pupil Activity Revenue	15,000	22,000	19,356	(2,644)	12,706
Rent Revenue	10,000	10,000	5,834	(4,166)	3,150
Donations	57,500	79,735	38,103	(41,632)	5,000
Insurance Proceeds	-	-	5,100	5,100	5,000
Other Local	45,000	45,000	5,979	(39,021)	75,218
Total Local Sources	3,851,645	4,428,415	4,326,187	(102,228)	3,817,264
Intermediate Sources					
Forest Service	3,000	8,000	7,056	(944)	2,929
State Sources					
State Equalization	4,518,828	3,908,320	3,923,685	15,365	4,577,345
Vocational Education	-	23,417	24,344	927	9,684
ELPA	3,775	3,775	44,401	40,626	45,887
Transportation	82,000	76,935	79,765	2,830	83,545
BOCES Passthrough	196,491	198,690	209,083	10,393	212,485
Other State	90,500	90,500	86,956	(3,544)	86,735
Total State Sources	4,891,594	4,301,637	4,368,234	66,597	5,015,681
Federal Sources					
Other	52,033	17,000	34,364	17,364	63,133
Federal BOCES Passthrough	195,048	197,235	177,157	(20,078)	174,510
Total Federal Sources	247,081	214,235	211,521	(2,714)	237,643
TOTAL REVENUES	8,993,320	8,952,287	8,912,998	(39,289)	9,073,517
EXPENDITURES					
Instruction					
Salaries	3,336,945	3,317,574	3,468,214	(150,640)	3,367,948
Benefits	1,257,770	1,237,574	1,252,755	(15,181)	1,226,967
Purchased Services - Professional	244,900	244,900	225,442	19,458	226,109
Purchased Services - Property	100	100	100	-	-
Purchased Services - Other	241,007	253,007	256,208	(3,201)	261,577
Supplies	164,448	186,937	161,296	25,641	141,584
Property	4,650	4,712	1,981	2,731	1,356
Other	4,710	4,710	5,457	(747)	4,399
Total Instruction	5,254,530	5,249,514	5,371,453	(121,939)	5,229,940

(Continued)

LAKE COUNTY SCHOOL DISTRICT R-1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

YEAR ENDED JUNE 30, 2013

(With Comparative Totals for the Year Ended June 30, 2012)

(Continued)

	2013				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POS (NEG)	2012 ACTUAL
EXPENDITURES (Continued)					
Students					
Salaries	\$ 183,127	\$ 176,122	\$ 180,852	\$ (4,730)	\$ 220,598
Benefits	87,977	86,691	82,537	4,154	102,242
Purchased Services - Professional	8,400	10,010	4,645	5,365	5,430
Purchased Services - Other	2,135	1,600	1,286	314	1,650
Supplies	4,055	3,480	3,470	10	3,636
Total Student Support	285,694	277,903	272,790	5,113	333,556
Instructional Staff					
Salaries	125,513	125,513	127,071	(1,558)	139,883
Benefits	37,715	37,715	38,334	(619)	39,711
Purchased Services - Professional	147,500	147,500	146,563	937	133,513
Purchased Services - Property	700	700	-	700	-
Purchased Services - Other	6,400	6,250	4,590	1,660	2,334
Supplies	46,500	46,500	43,900	2,600	49,753
Property	59,321	59,321	68,398	(9,077)	33,580
Total Instructional Staff	423,649	423,499	428,856	(5,357)	398,774
General Administration					
Salaries	204,483	214,119	214,510	(391)	214,702
Benefits	60,930	66,578	66,127	451	59,242
Purchased Services - Professional	6,000	9,100	9,695	(595)	10,847
Purchased Services - Other	18,500	18,500	22,820	(4,320)	22,799
Supplies	10,000	10,000	7,425	2,575	10,609
Property	1,250	1,250	-	1,250	-
Other	11,600	11,600	8,806	2,794	14,240
Total General Administration	312,763	331,147	329,383	1,764	332,439
School Administration					
Salaries	520,222	526,728	514,205	12,523	437,722
Benefits	223,767	215,209	178,419	36,790	160,906
Purchased Services - Other	1,100	1,100	1,535	(435)	840
Supplies	7,900	7,900	7,432	468	6,802
Property	675	675	207	468	675
Other	80	80	138	(58)	353
Total School Administration	753,744	751,692	701,936	49,756	607,298
Business					
Salaries	47,843	44,583	44,583	-	44,229
Benefits	19,696	19,696	18,012	1,684	16,778
Purchased Services - Professional	4,500	4,500	9,457	(4,957)	6,856
Purchased Services - Other	5,000	5,000	3,031	1,969	5,159
Supplies	1,000	1,000	750	250	1,081
Property	500	500	-	500	661
Other	100	100	611	(511)	-
Total Business	78,639	75,379	76,444	(1,065)	74,764

(Continued)

LAKE COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)

(Continued)

	2013				2012
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POS (NEG)	
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Operations and Maintenance					
Salaries	\$ 480,606	\$ 485,411	\$ 515,036	\$ (29,625)	\$ 495,149
Benefits	180,208	198,144	208,210	(10,066)	208,911
Purchased Services - Professional	50,000	50,000	52,626	(2,626)	83,868
Purchased Services - Property	98,500	98,500	116,778	(18,278)	123,033
Purchased Services - Other	500	1,500	17	1,483	-
Supplies	372,500	312,500	351,027	(38,527)	371,657
Property	20,000	20,000	8,090	11,910	19,040
Other	7,156	7,156	-	7,156	-
Total Operations and Maintenance	1,209,470	1,173,211	1,251,784	(78,573)	1,301,658
Student Transportation					
Salaries	196,123	179,570	143,146	36,424	158,694
Benefits	106,293	109,757	100,248	9,509	100,287
Purchased Services - Professional	5,000	5,000	4,162	838	3,956
Purchased Services - Property	18,000	18,000	21,474	(3,474)	19,369
Purchased Services - Other	2,500	2,500	957	1,543	1,957
Supplies	47,200	42,200	33,501	8,699	35,629
Property	109,715	107,915	105,608	2,307	108,773
Total Student Transportation	484,831	464,942	409,096	55,846	428,665
Risk Management					
Purchased Services - Other	190,000	175,000	158,758	16,242	182,568
Total Supporting Services	3,738,790	3,672,773	3,629,047	43,726	3,659,722
Reserves					
Reserves for Contingencies	2,007,176	2,141,031	-	2,141,031	-
TOTAL EXPENDITURES	11,000,496	11,063,318	9,000,500	2,062,818	8,889,662
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,007,176)	(2,111,031)	(87,502)	2,023,529	183,855
OTHER FINANCING USES					
Transfers In (Out)	-	(80,000)	(80,000)	-	(1,000,000)
NET CHANGE IN FUND BALANCE	(2,007,176)	(2,191,031)	(167,502)	2,023,529	(816,145)
FUND BALANCE, Beginning	2,007,176	2,191,031	2,191,031	-	3,007,176
FUND BALANCE, Ending	\$ -	\$ -	\$ 2,023,529	\$ 2,023,529	\$ 2,191,031

See the Accompanying Independent Auditor's Report.

LAKE COUNTY SCHOOL DISTRICT R-1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - DESIGNATED GRANTS FUND
 YEAR ENDED JUNE 30, 2013
 (With Comparative Totals for the Year Ended June 30, 2012)

	2013			VARIANCE WITH FINAL BUDGET POS (NEG)	2012 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
State					
Expelled and At Risk Students	\$ 29,400	\$ 29,400	\$ 31,404	\$ 2,004	\$ 52,916
Read to Achieve	-	-	-	-	63,733
School Counselor Grant	70,382	70,829	70,829	-	165
School Awards Program Fund	3,248	3,248	3,248	-	-
Total State	103,030	103,477	105,481	2,004	116,814
Federal					
Title I, A - Improving Basic Programs	293,237	271,376	232,417	(38,959)	283,609
Title I, C - Migrant Education	-	-	-	-	5,047
ARRA Title I Part A	16,002	16,002	-	(16,002)	71,142
NCLB Title I Part A	96,392	268,120	201,635	(66,485)	124,200
21st Century Community Learning Centers	303,689	285,553	225,742	(59,811)	169,128
Title III Set Aside Immigrant NCLB ELA	-	-	-	-	7,922
Title VI - Rural and Low Income Schools	14,984	27,337	34,725	7,388	8,405
Title III, Part A	38,396	30,728	30,754	26	38,396
Title II , Part A - Teacher Quality	68,215	66,199	56,688	(9,511)	47,972
Carl Perkins Vocational Education	11,551	17,712	18,668	956	11,644
Reading First	-	-	-	-	25,613
Race to the Top	-	12,167	-	(12,167)	-
Total Federal	842,466	995,194	800,629	(194,565)	793,078
TOTAL REVENUES	945,496	1,098,671	906,110	(192,561)	909,892
EXPENDITURES					
Instruction					
Salaries	312,588	279,350	260,179	19,171	352,807
Benefits	90,569	78,358	78,882	(524)	100,225
Purchased Services - Professional	48,232	95,661	71,433	24,228	5,730
Purchased Services - Other	4,363	3,000	3,383	(383)	3,359
Supplies	25,544	11,134	12,920	(1,786)	36,454
Property	7,388	10,312	14,487	(4,175)	6,999
Total Instruction	488,684	477,815	441,284	36,531	505,574

(Continued)

LAKE COUNTY SCHOOL DISTRICT R-1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - DESIGNATED GRANTS FUND
 YEAR ENDED JUNE 30, 2013

(With Comparative Totals for the Year Ended June 30, 2012)

(Continued)

	2013			VARIANCE WITH FINAL BUDGET POS (NEG)	2012 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
EXPENDITURES (Continued)					
Pupil Support				-	
Salaries	\$ 113,516	\$ 175,369	\$ 97,066	\$ 78,303	\$ 86,820
Benefits	33,653	45,446	19,357	26,089	11,903
Purchased Services - Professional	23,000	120,000	136,644	(16,644)	66,411
Purchased Services - Other	24,123	38,779	21,937	16,842	17,473
Supplies	25,974	20,537	15,185	5,352	12,048
Property	300	-	-	-	171
Other	465	65	-	65	-
Total Pupil Support	221,031	400,196	290,189	110,007	194,826
Staff Support					
Salaries	177,296	152,770	106,884	45,886	128,820
Benefits	40,744	56,441	43,041	13,400	36,105
Purchased Services - Professional	8,960	7,922	20,695	(12,773)	37,156
Purchased Services - Other	-	-	-	-	775
Supplies	2,948	-	472	(472)	803
Total Staff Support	229,948	217,133	171,092	46,041	203,659
School Administration					
Salaries	5,000	3,000	3,000	-	5,000
Benefits	833	527	545	(18)	833
Total School Administration	5,833	3,527	3,545	(18)	5,833
TOTAL EXPENDITURES	945,496	1,098,671	906,110	192,561	909,892
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -	\$ -

See the Accompanying Independent Auditor's Report.

LAKE COUNTY SCHOOL DISTRICT R-1

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2013

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the enterprise fund which budgets on a non-GAAP basis. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year-end. The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. By 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. All appropriations lapse at year end.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted or as revised by the Board of Education.
- Budget amendments increasing total fund appropriations must be approved by the Board of Education. During the year, four supplemental appropriation resolutions were approved by the Board of Education.
- During the year ended June 30, 2013, supplementary appropriations approved by the District as follows:

	Original Appropriation	Modified Appropriation
General Fund	\$ 11,000,496	\$ 11,143,318
Designated Grants Fund	945,496	1,098,671
Center Fund	229,906	230,690
Head Start Fund	535,471	696,872
Bond Redemption Fund	558,296	647,143
Capital Reserve Fund	1,747,628	1,933,244
Building Fund	-	26,504,603
Food Service Fund	671,700	624,378

SUPPLEMENTARY INFORMATION

LAKE COUNTY SCHOOL DISTRICT R-1

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2013

(With Comparative Totals for June 30, 2012)

	SPECIAL REVENUE FUNDS		TOTAL 2013	TOTAL 2012
	CENTER FUND	HEAD START FUND		
ASSETS				
Cash and Investments	\$ 58,362	\$ -	\$ 58,362	\$ 58,362
Grants Receivable	1,944	67,240	69,184	59,763
TOTAL ASSETS	\$ 60,306	\$ 67,240	\$ 127,546	\$ 118,125
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 426	\$ 426	\$ -
Accrued Salaries and Benefits	3,144	16,837	19,981	16,142
Deferred Revenue	7,483	-	7,483	10,294
Due to Other Funds	9,213	49,977	59,190	46,499
TOTAL LIABILITIES	19,840	67,240	87,080	72,935
FUND BALANCES				
Assigned	40,466	-	40,466	45,190
TOTAL FUND BALANCES	40,466	-	40,466	45,190
TOTAL LIABILITIES AND FUND BALANCES	\$ 60,306	\$ 67,240	\$ 127,546	\$ 118,125

See the accompanying Independent Auditors' Report.

LAKE COUNTY SCHOOL DISTRICT R-1

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2013

(With Comparative Totals for the Year Ended June 30, 2012)

	SPECIAL REVENUE FUNDS		TOTAL 2013	TOTAL 2012
	CENTER FUND	HEAD START FUND		
REVENUES				
Local Sources	\$ 171,926	\$ 161,401	\$ 333,327	\$ 363,525
Federal Sources	3,888	552,109	555,997	507,135
TOTAL REVENUES	175,814	713,510	889,324	870,660
EXPENDITURES				
Supporting Services	16,164	47,040	63,204	51,619
Community Support	164,374	666,470	830,844	818,256
TOTAL EXPENDITURES	180,538	713,510	894,048	869,875
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(4,724)	-	(4,724)	785
FUND BALANCES, Beginning	45,190	-	45,190	44,405
FUND BALANCES, Ending	\$ 40,466	\$ -	\$ 40,466	\$ 45,190

See the accompanying Independent Auditors' Report.

LAKE COUNTY SCHOOL DISTRICT R-1
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - CENTER FUND
YEAR ENDED JUNE 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)

	2013				2012 ACTUAL
	ORIGINAL BUDGET	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POS (NEG)	
REVENUES					
Tuition	\$ 105,000	\$ 105,000	\$ 87,615	\$ (17,385)	\$ 106,649
Donations	80,500	80,500	84,311	3,811	79,658
IDEA Preschool	-	-	3,888	3,888	5,648
TOTAL REVENUES	185,500	185,500	175,814	(9,686)	191,955
EXPENDITURES					
Operations and Maintenance					
Salaries	13,226	13,226	10,167	3,059	6,433
Benefits	7,491	7,491	5,997	1,494	3,756
Total Operations and Maintenance	20,717	20,717	16,164	4,553	10,189
Community Support					
Salaries	97,334	97,334	105,111	(7,777)	95,550
Benefits	42,744	42,744	41,477	1,267	53,134
Purchased Services - Other	150	150	183	(33)	333
Supplies	22,955	22,955	15,300	7,655	25,976
Other	1,600	1,600	2,303	(703)	5,988
Contingency	44,406	45,190	-	45,190	-
Total Community Support	209,189	209,973	164,374	45,599	180,981
TOTAL EXPENDITURES	229,906	230,690	180,538	50,152	191,170
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(44,406)	(45,190)	(4,724)	40,466	785
FUND BALANCE, Beginning	44,406	45,190	45,190	-	44,405
FUND BALANCE, Ending	\$ -	\$ -	\$ 40,466	\$ 40,466	\$ 45,190

See the Accompanying Independent Auditor's Report.

LAKE COUNTY SCHOOL DISTRICT R-1
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - HEAD START PROGRAM FUND
YEAR ENDED JUNE 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)

	2013			VARIANCE WITH FINAL BUDGET POS (NEG)	2012 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
In-kind Donations	\$ -	\$ 161,401	\$ 161,401	\$ -	\$ 177,218
Head Start Grant	535,471	535,471	552,109	16,638	501,487
TOTAL REVENUES	535,471	696,872	713,510	16,638	678,705
EXPENDITURES					
Operations and Maintenance					
Salaries	12,700	12,700	15,183	(2,483)	13,347
Benefits	7,500	7,500	7,548	(48)	6,680
Total Operations and Maintenance	20,200	20,200	22,731	(2,531)	20,027
Transportation					
Salaries	18,000	18,000	16,698	1,302	15,521
Benefits	8,421	8,421	7,611	810	5,882
Total Transportation	26,421	26,421	24,309	2,112	21,403
Community Support					
Salaries	314,743	314,743	311,040	3,703	271,819
Benefits	127,097	127,097	125,612	1,485	123,101
Purchased Services - Professional	18,311	18,311	23,457	(5,146)	20,163
Purchased Services - Other	9,300	9,300	7,645	1,655	7,985
Supplies	18,700	18,700	36,863	(18,163)	36,027
Other	699	162,100	161,853	247	178,180
Total Community Support	488,850	650,251	666,470	(16,219)	637,275
TOTAL EXPENDITURES	535,471	696,872	713,510	(16,638)	678,705
EXCESS REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -	\$ -

See the Accompanying Independent Auditor's Report.

LAKE COUNTY SCHOOL DISTRICT R-1

BUDGETARY COMPARISON SCHEDULE

BOND REDEMPTION FUND

YEAR ENDED JUNE 30, 2013

(With Comparative Totals for the Year Ended June 30, 2012)

	2013				2012 ACTUAL
	ORIGINAL BUDGET	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POS (NEG)	
REVENUES					
Property Taxes	\$ 116,094	\$ 116,094	\$ 863,042	\$ 746,948	\$ 202,793
Interest Income	-	-	1,449	1,449	779
TOTAL REVENUES	<u>116,094</u>	<u>116,094</u>	<u>864,491</u>	<u>748,397</u>	<u>203,572</u>
EXPENDITURES					
Debt Service					
Principal	114,010	108,294	110,000	(1,706)	105,000
Interest	2,084	7,799	172,626	(164,827)	9,725
Other	442,202	531,050	-	531,050	-
TOTAL EXPENDITURES	<u>558,296</u>	<u>647,143</u>	<u>282,626</u>	<u>364,517</u>	<u>114,725</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(442,202)	(531,049)	581,865	1,112,914	88,847
FUND BALANCE, Beginning	<u>442,202</u>	<u>531,049</u>	<u>531,049</u>	<u>-</u>	<u>442,202</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,112,914</u>	<u>\$ 1,112,914</u>	<u>\$ 531,049</u>

See the Accompanying Independent Auditor's Report.

LAKE COUNTY SCHOOL DISTRICT R-1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CAPITAL PROJECTS CAPITAL RESERVE FUND
 YEAR ENDED JUNE 30, 2013
 (With Comparative Totals for the Year Ended June 30, 2012)

	2013			VARIANCE WITH FINAL BUDGET POS (NEG)	2012 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Payment In Lieu of Taxes	\$ 175,000	\$ 175,000	\$ 176,642	\$ 1,642	\$ 210,713
Capital Construction Grants	-	643,717	643,717	-	71,228
TOTAL REVENUES	<u>175,000</u>	<u>818,717</u>	<u>820,359</u>	<u>1,642</u>	<u>281,941</u>
EXPENDITURES					
Facilities/Property					
Buildings	1,667,628	1,767,244	723,695	1,043,549	749,253
Equipment	80,000	130,000	123,735	6,265	1,840
Vehicles	-	36,000	31,911	4,089	-
Total Facilities/Property	<u>1,747,628</u>	<u>1,933,244</u>	<u>879,341</u>	<u>1,053,903</u>	<u>751,093</u>
TOTAL EXPENDITURES	<u>1,747,628</u>	<u>1,933,244</u>	<u>879,341</u>	<u>1,053,903</u>	<u>751,093</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(1,572,628)	(1,114,527)	(58,982)	1,055,545	(469,152)
OTHER FINANCING SOURCES (USES)					
Transfers In (Out)	-	-	-	-	1,000,000
NET CHANGE IN FUND BALANCE	(1,572,628)	(1,114,527)	(58,982)	1,055,545	530,848
FUND BALANCE, Beginning	<u>1,572,628</u>	<u>1,114,527</u>	<u>1,114,527</u>	<u>-</u>	<u>583,679</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,055,545</u>	<u>\$ 1,055,545</u>	<u>\$ 1,114,527</u>

See the Accompanying Independent Auditor's Report.

LAKE COUNTY SCHOOL DISTRICT R-1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUILDING FUND

YEAR ENDED JUNE 30, 2013

(With Comparative Totals for the Year Ended June 30, 2012)

	2013			VARIANCE WITH FINAL BUDGET POS (NEG)	2012 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Capital Construction Grants	\$ -	\$ 15,107,624	\$ -	\$ (15,107,624)	\$ -
EXPENDITURES					
Facilities/Property					
Buildings	-	26,504,603	1,367,833	25,136,770	-
EXCESS REVENUES OVER (UNDER) EXPENDITURES	-	(11,396,979)	(1,367,833)	10,029,146	-
OTHER FINANCING SOURCES (USES)					
Bond Proceeds	-	11,396,979	11,396,979	-	-
NET CHANGE IN FUND BALANCE	-	-	10,029,146	10,029,146	-
FUND BALANCE, Beginning	-	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 10,029,146	\$ 10,029,146	\$ -

See the Accompanying Independent Auditor's Report.

LAKE COUNTY SCHOOL DISTRICT R-1
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND - FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)

	2013			VARIANCE WITH FINAL BUDGET POS (NEG)	2012 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Lunch Sales	\$ 99,700	\$ 99,700	\$ 76,681	\$ (23,019)	\$ 80,610
Ala Carte Sales	40,000	40,000	25,469	(14,531)	27,111
Special Function Sales	15,000	15,000	18,628	3,628	14,197
SMCN	7,000	7,000	4,696	(2,304)	4,821
Start Smart	-	3,000	2,123	(877)	1,762
K-2 Lunch Reimbursement	-	5,000	2,256	(2,744)	1,652
Commodity Distribution	25,000	25,000	26,887	1,887	28,486
National School Lunch Program	300,000	304,298	288,716	(15,582)	272,452
National School Breakfast Program	75,000	77,400	73,698	(3,702)	69,953
CACFP Snack Grant	50,000	46,278	51,234	4,956	40,270
Transfers In	-	80,000	80,000	-	-
TOTAL REVENUES	611,700	702,676	650,388	(52,288)	541,314
EXPENDITURES					
Salaries	221,000	230,636	249,634	(18,998)	233,132
Benefits	142,700	144,040	146,142	(2,102)	111,839
Purchased Services - Other	3,000	3,000	210	2,790	861
Supplies	5,000	5,000	6,573	(1,573)	5,385
Food	170,000	170,000	175,925	(5,925)	185,397
Milk	45,000	45,000	50,872	(5,872)	43,276
Commodities	25,000	25,000	3,072	21,928	51,094
Other	60,000	1,702	-	1,702	-
TOTAL EXPENDITURES	671,700	624,378	632,428	(8,050)	630,984
CHANGE IN NET ASSETS	(60,000)	78,298	17,960	(60,338)	(89,670)
NET ASSETS, Beginning	60,000	1,702	1,702	-	91,372
NET ASSETS, Ending	\$ -	\$ 80,000	\$ 19,662	\$ (60,338)	\$ 1,702

See the Accompanying Independent Auditor's Report.

LAKE COUNTY SCHOOL DISTRICT R-1
 BUDGETARY COMPARISON SCHEDULE
 PUPIL ACTIVITY FUND
 YEAR ENDED JUNE 30, 2013
 (With Comparative Totals for the Year Ended June 30, 2012)

	2013			VARIANCE WITH FINAL BUDGET POS (NEG)	2012 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
Receipts	\$ 300,000	\$ 250,000	\$ 232,709	\$ (17,291)	\$ 228,367
Disbursements	300,000	250,000	222,986	27,014	205,730
Net Receipts (Disbursements)	<u>\$ -</u>	<u>\$ -</u>	9,723	<u>\$ 9,723</u>	22,637
CASH IN BANK, Beginning			210,116		187,479
CASH IN BANK, Ending			<u>\$ 219,839</u>		<u>\$ 210,116</u>

See the Accompanying Independent Auditor's Report.

LAKE COUNTY SCHOOL DISTRICT R-1

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
PUPIL ACTIVITY AGENCY FUND
YEAR ENDED JUNE 30, 2013**

	<u>BALANCE</u> <u>June 30, 2012</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>June 30, 2013</u>
ASSETS				
Cash	\$ 210,116	\$ 232,709	\$ 222,986	\$ 219,839
LIABILITIES				
Accounts Payable	\$ 210,116	\$ 232,709	\$ 222,986	\$ 219,839

See the Accompanying Independent Auditor's Report.

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SINGLE AUDIT

The following reports, opinion and schedules report on Federal funds received by the District. The Single Audit Act of 1996 and the Office of Management and Budget (OMB) Circular A-133 establish the reporting requirements for Federal funds.

LAKE COUNTY SCHOOL DISTRICT R-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2013

Federal Grantor/ Pass-Through Grantor/ Program Title	District's Program Number	Federal CFDA Number	Beginning Balance Accrued (Deferred)	Total Receipts	Total Expenditures	Ending Balance Accrued (Deferred)
<u>U.S. Department of Agriculture</u>						
Direct Program						
Food Distribution	4550	10.550	\$ -	\$ 26,887	\$ 26,887	\$ -
Passed Through State Department of Education						
School Breakfast Program	4553	10.553	-	73,698	73,698	-
National School Lunch Program	4555	10.555	-	288,716	288,716	-
Passed Through State Department of Public Health and Environment:						
Child & Adult Care Food Program	4558	10.558	-	51,234	51,234	-
Total U.S. Department of Agriculture			-	440,535	440,535	-
<u>U.S. Department of Education</u>						
Passed Through State Department of Education						
Adult Education & Family Literacy Act	5002	84.002	5,278	5,278	-	-
Title I	4010/5010	84.010	135,797	540,615	434,052	29,234
21st Century Learning Centers	5287/6287	84.287	50,328	230,627	225,742	45,443
Title VI Part B Rural and Low Income Schools	7358	84.358	-	25,228	34,725	9,497
Title III Part A English Language Acquisition	4365	84.365	-	30,754	30,754	-
Title II Part A Improving Teacher Quality	4367	84.367	7,043	51,611	56,688	12,120
ARRA-Title I, Part A	4389	84.389	16,002	16,002	-	-
Passed Through Mountain BOCES:						
Title VI-B IDEA Special Education	4027	84.027	58,248	140,226	177,157	95,179
Title VI-B IDEA Preschool	4173	84.173	790	2,734	3,888	1,944
Passed Through Colorado Mountain College						
Carl Perkins Vocational & Applied Training	4048	84.048	7,956	21,733	18,668	4,891
Total U.S. Department of Education			281,442	1,064,808	981,674	198,308
<u>U.S. Department of Health and Human Services</u>						
Direct Program:						
Head Start	8600	93.600	58,973	543,662	552,109	67,420
Total Federal Assistance			\$ 340,415	\$ 2,049,005	\$ 1,974,318	\$ 265,728

See the Accompanying Independent Auditor's Report.

LAKE COUNTY SCHOOL DISTRICT R-1

**NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2013**

NOTE 1: BASIS OF PRESENTATION

In the accompanying schedule of expenditures of federal awards 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 the financial statements.

Board of Education
Lake County School District R-1
Leadville, Colorado

**Independent Auditor's 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 the 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 remaining fund information of Lake County School District R-1 (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 30, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a 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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control 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 District'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dazzio & Plutt, LLC

September 30, 2013

Board of Education
Lake County School District R-1
Leadville, Colorado

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

Report on Compliance for Each Major Federal Program

We have audited Lake County School District R-1' (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditor's 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District'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 District'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 District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District 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, 2013.

Report on Internal Control Over Compliance

Management of the District 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 District'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 District'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 a 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 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.

Dazzio & Plutt, LLC

September 30, 2013

LAKE COUNTY SCHOOL DISTRICT R-1

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified? ___ Yes X None Reported
- Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified? ___ Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

- Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ___ Yes X No

Identification of major programs:

10.553 and 10.555	Child Nutrition Cluster; School Breakfast Program; National School Lunch Program
84.027 and 84.173	Special Education Cluster; Special Education Grants to States; Special Education Preschool Grant

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

- Auditee qualified as low-risk auditee? ___ X Yes ___ No

II. Findings relating to the financial statement audit as required to be reported in accordance with generally accepted government auditing standards

There were no findings required to be reported under *Government Auditing Standards*.

III. Findings and questioned costs for federal awards

There were no findings or questioned costs required to be reported under *Government Auditing Standards*.

LAKE COUNTY SCHOOL DISTRICT R-1

**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

Findings 2012:

There were no prior audit findings and questioned costs.

STATE COMPLIANCE



**Colorado Department of Education
Auditors Integrity Report**

District: 1510 - LAKE COUNTY R-1

Fiscal Year 2012-13

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
	+	=	=	=
Governmental				
10 General Fund	2,101,075	8,574,278	8,732,330	1,943,023
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	89,957	258,720	268,171	80,506
Sub- Total	2,191,032	8,832,998	9,000,501	2,023,529
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	45,190	889,324	894,049	40,466
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	0	906,110	906,110	0
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	531,049	864,491	282,626	1,112,914
39 Non-Voter Approved Debt Service Fund	0	0	0	0
41 Building Fund	0	11,396,979	1,367,833	10,029,146
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	1,114,527	820,359	879,341	1,055,545
Totals	3,881,799	23,710,261	13,330,460	14,261,600
Proprietary				
51 Food Service Fund	1,702	650,390	632,428	19,663
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	1,702	650,390	632,428	19,663
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	210,116	232,709	222,986	219,839
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	210,116	232,709	222,986	219,839
		FINAL		

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

See the Accompanying Independent Auditor's Report.