

**NORTH PARK SCHOOL DISTRICT R-1
WALDEN, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORTS**

**For The Year Ended
June 30, 2013**

NORTH PARK SCHOOL DISTRICT R-1
WALDEN, COLORADO

ROSTER OF SCHOOL OFFICIALS

JUNE 30, 2013

BOARD OF EDUCATION

Matt Shuler – President
Todd Larsen – Vice President
Jill Honnecke – Secretary/Treasurer
Jeannie Jenkins – Member
Buck Brumfield – Member
Kathy McKay – Member
Faith Altwine – Member

ADMINISTRATION

Jim Anderson – Superintendent
Jodie Douthit – Business Manager

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Roster of School Officials	
Table of Contents	
FINANCIAL SECTION	
MANAGEMENT’S DISCUSSION AND ANALYSIS (Required Supplementary Information)	M1 – M6
INDEPENDENT AUDITORS’ REPORT	1 – 3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements:	
Balance Sheet – Governmental Funds	6
Reconciliation of Governmental Fund Balance to Governmental Activities Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	8
Reconciliation of Governmental Changes in Fund Balance to Governmental Activities Changes in Net Position	9
Statement of Net Position – Proprietary Funds	10
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	11
Statement of Cash Flows – Proprietary Funds	12
Statement of Fiduciary Net Position	13
Notes to Financial Statements	14 – 25
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund	26 – 28

TABLE OF CONTENTS
(Continued)

PAGE

OTHER SUPPLEMENTARY INFORMATION

Special Revenue Fund:

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Designated Grants Fund	29
---	----

Capital Projects Fund:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Capital Reserve Projects Fund	30
---	----

Enterprise Fund:

Schedule of Revenues, Expenses and Changes in Net Position – Budget (GAAP Basis) and Actual – Food Service Fund	31
---	----

Trust and Agency Funds:

Scholarship Agency Fund – Schedule of Revenues, Expenses and Changes in Fiduciary Net Position – Budget and Actual	32
--	----

Pupil Activity Fund – Schedule of Revenues, Expenses and Changes in Fiduciary Net Position – Budget and Actual	33
--	----

STATE COMPLIANCE

Auditors Integrity Report	34
---------------------------	----

Bolded Balance Sheet Report	35 – 37
-----------------------------	---------

FINANCIAL SECTION

INTENTIONALLY LEFT BLANK

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2013

This discussion and analysis of North Park 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 financial statements, financial statement footnotes, budgetary comparison schedules and additional supplementary information to broaden their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

For the year ended June 30, 2013, the District's financial condition remained consistent, with a total net decrease in assets of \$75,293 (-1.6%) to \$4,664,253. The District's operating expenditures remain very consistent. FY2013 expenditures were \$136,261 more than FY2012 which results in just a 5% differential. The District budgets sufficient contingencies to cover any unanticipated operational needs. The Capital Reserve carry forward remains at over \$400,000.

Using the Basic Financial Statements

The basic financial statements consist of the Management's Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can first understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the Statement of Net Assets and the Statement of Activities. Both provide long and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail. The governmental fund statements tell how general District services were financed in the short term as well as what remains for future spending. Proprietary fund statements offer short and long-term financial information about the activities that the District operates as a business. For our District this activity is the Food Service Fund. Fiduciary fund statements provide information about financial relationships where the District acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the District as a Whole

The District's current instructional costs are being covered by its current revenue sources.

Government-Wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private businesses. The statements of net assets include all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. The change in net assets is important because it tells the reader that for the District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions and required educational programs.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two distinct kinds of activities:

Governmental Activities – The majority of the District's programs and services are reported here including instruction, support services, operations and maintenance of plant, pupil transportation and extracurricular activities.

Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District's food service operation is reported as a business activity.

A condensed summary of the Districts Net Assets is as follows:

Table 1 - Condensed Statement of Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current Assets	\$ 1,983,468	\$ 1,932,799	\$ 20,393	\$ 29,801	\$ 2,003,861	\$ 1,962,600
Capital Assets - Net	<u>3,073,266</u>	<u>3,163,862</u>	<u>-</u>	<u>-</u>	<u>3,073,266</u>	<u>3,163,862</u>
Total Assets	<u>5,056,734</u>	<u>5,096,661</u>	<u>20,393</u>	<u>29,801</u>	<u>5,077,127</u>	<u>5,126,462</u>
Current Liabilities	387,840	371,067	9,631	10,109	397,471	381,176
Long-Term Liabilities	<u>15,403</u>	<u>5,740</u>	<u>-</u>	<u>-</u>	<u>15,403</u>	<u>5,740</u>
Total Liabilities	<u>403,243</u>	<u>376,807</u>	<u>9,631</u>	<u>10,109</u>	<u>412,874</u>	<u>386,916</u>
Net Investment in Capital Assets	3,061,463	3,163,862	-	-	3,061,463	3,163,862
Restricted Net Position	150,085	168,491	-	-	150,085	168,491
Unrestricted Net Position	<u>1,441,943</u>	<u>1,387,501</u>	<u>10,762</u>	<u>19,692</u>	<u>1,452,705</u>	<u>1,407,193</u>
Total Net Position	\$ <u>4,653,491</u>	\$ <u>4,719,854</u>	\$ <u>10,762</u>	\$ <u>19,692</u>	\$ <u>4,664,253</u>	\$ <u>4,739,546</u>

Most of the district's net assets are invested in capital assets (buildings, land, and equipment). The remaining net assets are a combination of restricted and unrestricted amounts. The restricted net assets represent amounts set aside for emergencies as required by statute.

A condensed Statement of Activities and Changes in Net Assets is as follows:

TABLE 2 - CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Program Revenues:						
Charges for Services	\$ 7,344	\$ 2,709	\$ 40,344	\$ 36,594	\$ 47,688	\$ 39,303
Operating Grants	316,559	353,678	50,309	47,202	366,868	400,880
Capital Grants	1,608	1,608	-	-	1,608	1,608
Total Program Revenues	<u>325,511</u>	<u>357,995</u>	<u>90,653</u>	<u>83,796</u>	<u>416,164</u>	<u>441,791</u>
General Revenues:						
Taxes	1,192,811	1,080,966	-	-	1,192,811	1,080,966
State Equalization	881,710	959,983	-	-	881,710	959,983
Investment Income	13,952	14,441	-	-	13,952	14,441
Miscellaneous	271,074	471,821	-	-	271,074	471,821
Total General Revenues	<u>2,359,547</u>	<u>2,527,211</u>	<u>-</u>	<u>-</u>	<u>2,359,547</u>	<u>2,527,211</u>
Total Revenues	<u>2,685,058</u>	<u>2,885,206</u>	<u>90,653</u>	<u>83,796</u>	<u>2,775,711</u>	<u>2,969,002</u>
Expenses						
Instruction	1,521,056	1,533,756	-	-	1,521,056	1,533,756
Supporting Services	1,200,519	1,056,232	-	-	1,200,519	1,056,232
Interest on Long Term Debt	184	-	-	-	184	-
Food Service	-	-	129,245	124,755	129,245	124,755
Total Expenses	<u>2,721,759</u>	<u>2,589,988</u>	<u>129,245</u>	<u>124,755</u>	<u>2,851,004</u>	<u>2,714,743</u>
Transfers	<u>(29,662)</u>	<u>(23,084)</u>	<u>29,662</u>	<u>23,084</u>	<u>-</u>	<u>-</u>
Change in Net Position	(66,363)	272,134	(8,930)	(17,875)	(75,293)	254,259
Net Position - Beginning	<u>4,719,854</u>	<u>4,447,720</u>	<u>19,692</u>	<u>37,567</u>	<u>4,739,546</u>	<u>4,485,287</u>
Net Position - Ending	<u>\$ 4,653,491</u>	<u>\$ 4,719,854</u>	<u>\$ 10,762</u>	<u>\$ 19,692</u>	<u>\$ 4,664,253</u>	<u>\$ 4,739,546</u>

The District's Net Position showed an decrease of \$75,293 to \$4,664,253 or approximately 1.6% of the overall equity balance.

Reporting the District's Most Significant Funds

The analysis of the District's major funds begins on page 4. Fund financial reports provide detailed information about the District's major funds. The District's major funds are the General, Capital Reserve, Designated Grants, and Food Service Funds.

Governmental Funds. Most of District's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements of the Governmental Funds. The District's governmental funds consist of the General, Capital Reserve, and Designated Grants Funds. The General Fund accounts for the majority of the District's instruction and support operations. The Capital Reserve Fund accounts for the District's capital needs, and the Designated Grants Fund accounts for the majority of the District's grant funding.

Proprietary Funds. The proprietary fund (the food service operation) has historically operated as an enterprise fund using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the business-type activity section of the government-wide statements.

Fiduciary Funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District's two fiduciary funds are the Pupil Activity and Scholarship Funds. The Pupil Activity Fund generally accounts for student generated revenues and expenditures related to non-classroom activities. The Scholarship Fund accounts for donations and related investment earnings used to provide scholarships to the District's students.

Fund Financial Statements

As of June 30, 2013, the District's governmental funds reported a combined fund balance of \$1,595,628 which is an increase of \$33,896 from the June 30, 2012 balance.

Capital Reserve

The Capital Reserve balance decreased \$43,783 while leaving \$362,034 carry forward for FY2013. No new revenue was brought into the account other than interest. Expenditures included 50% of the VoAg heating upgrade, upgraded outdoor lighting, staff vehicle, and maintenance mower.

Designated Grant Funds

The revenues and expenditures in this fund decreased by \$14,440. This decrease is primarily due to Carl Perkins. 2012 was a high year for Carl Perkins due to a three year spending cycle.

Capital Assets

As of June 30, 2013 the District had \$3,073,266 invested in a broad range of capital assets, including land, buildings, furniture and equipment. This amount represents a net decrease (including additions, deletions, and depreciation) of \$90,596 from last year. This is comprised of \$145,258 of depreciation and capital asset additions of \$64,687. During the year, Capital Improvements/Assets included 50% of the VoAg heating upgrade, upgraded outdoor lighting, staff vehicle, and maintenance mower. A summary of the District's Capital Assets is as follows:

TABLE 3 - SCHEDULE OF CAPITAL ASSETS

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<u>Governmental Capital Assets:</u>				
Capital Assets not being depreciated:				
Land	\$ 28,595	\$ -	\$ -	\$ 28,595
Construction in Process	10,025	-	10,025	-
Total Capital assets not being depreciated	<u>38,620</u>	<u>-</u>	<u>10,025</u>	<u>28,595</u>
Capital Assets being depreciated:				
Buildings and Site Improvements	4,734,723	-	-	4,734,723
Vehicles and Other Equipment	652,304	64,687	64,982	652,009
Total Capital assets being depreciated	<u>5,387,027</u>	<u>64,687</u>	<u>64,982</u>	<u>5,386,732</u>
Less Accumulated Depreciation:				
Buildings and Site Improvements	(1,915,218)	(109,400)	-	(2,024,618)
Vehicles and Other Equipment	(346,567)	(35,858)	(64,982)	(317,443)
Net Vehicles and Other Equipment	<u>(2,261,785)</u>	<u>(145,258)</u>	<u>(64,982)</u>	<u>(2,342,061)</u>
Net Governmental Capital Assets	<u>\$ 3,163,862</u>	<u>\$ (80,571)</u>	<u>\$ 10,025</u>	<u>\$ 3,073,266</u>
<u>Business-Type Capital Assets:</u>				
Equipment	\$ 6,163	\$ -	\$ -	\$ 6,163
Less: Accumulated Depreciation	(6,163)	-	-	(6,163)
Net Business-Type Capital Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The District had no significant additions in capital assets.

Debt Administration

As of June 30, 2011 the District had total outstanding long-term debt as follows:

TABLE 4 - SCHEDULE OF LONG-TERM DEBT

	<u>Balance July 1, 2012</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance June 30, 2013</u>	<u>Current Portion</u>
<u>Governmental Activities:</u>					
Capital Lease Payments	\$ -	\$ 12,500	\$ 697	\$ 11,803	\$ 2,893
Accrued Compensated Absences	5,740	-	2,140	3,600	-
Total Obligations	\$ 5,740	\$ 12,500	\$ 2,837	\$ 15,403	\$ 2,893

General Fund Budget

The Board of Education adopts the District's budget in June of each year. Changes are then made in December or January once student enrollment is finalized. The adoption of supplemental budgets is allowed throughout the year when unanticipated additional revenues are received. The Designated Purpose Grants budget is revised as final allocations become known. Revenues generated from the District's Program Funding (Colorado School Finance Act) change throughout the year. Program funding is based upon student enrollment on October 1st of each year. This per pupil funding is a combination of Property Tax, State Equalization, and Specific Ownership Tax. Because these factors are not known in June when the budget is adopted, the portion of revenue from each source is not known until the following January.

Economic Factors and Next Year's Budget

Although the District continues to experience declining enrollment, it is in very good financial condition. The District has absorbed personnel losses and continually looks to supplement through grant opportunities. The carry forward in the General Fund and Capital Reserve total a slightly more than six and a half months of operating expenses.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the North Park School District R-1 finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Manager, P O Box 798, 910 4th Street, Walden, CO 80480.

Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Education
North Park School District R-1
Walden, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the related notes to the financial statements of the North Park School District R-1, Colorado, as of and for the year ended June 30, 2013, which collectively comprise the basic financial statements of the District, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 controls. 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.

Opinion

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 North Park School District R-1, Colorado, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As further discussed in Note 13, the District has adopted GASB Statement Number 62 – Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, GASB Statement Number 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position, and GASB Statement Number 65 – Items Previously Reported as Assets and Liabilities. The adoption of these standards primarily added two additional categories, deferred outflows and deferred inflows of financial resources to the standard assets, liabilities and equity. As part of the creation of these new categories, the presentation of certain items that were previously reported as assets and liabilities were modified. The District's most significant change is that all items previously referred to as "net assets" are now titled "net position". Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the North Park School District R-1's 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 8, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information – Management Discussion and Analysis

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M6 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.

Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on pages 26-28 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. In addition, the budgetary comparison schedules on pages 29-33 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors Integrity and Bolded Balance Sheet reports pages 34-37 are presented for state regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Holscher, Mayberry + Company, LLC

Englewood, CO
October 14, 2013

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2013.

NORTH PARK SCHOOL DISTRICT R-1
Statement of Net Position
June 30, 2013

	Governmental	Business-Type	Totals
	Activities	Activities	2013
ASSETS			
Cash and Investments	\$ 1,637,951	\$ 12,277	\$ 1,650,228
Cash with Fiscal Agent	82,143	-	82,143
Taxes Receivable	68,788	-	68,788
Interfund Accounts Receivable	152,654	-	152,654
Grants Receivable	41,932	5,024	46,956
Inventory	-	3,092	3,092
Capital Assets, not being depreciated	28,595	-	28,595
Capital Assets, being depreciated	<u>3,044,671</u>	<u>-</u>	<u>3,044,671</u>
TOTAL ASSETS	<u>5,056,734</u>	<u>20,393</u>	<u>5,077,127</u>
LIABILITIES			
Interfund Accounts Payable	152,654	-	152,654
Accounts Payable	22,847	-	22,847
Accrued Salaries & Benefits	203,916	9,631	213,547
Grant Unearned Revenue	8,423	-	8,423
Non-Current Liabilities			
Due Within One Year	2,893	-	2,893
Due In More Than One Year	<u>12,510</u>	<u>-</u>	<u>12,510</u>
TOTAL LIABILITIES	<u>403,243</u>	<u>9,631</u>	<u>412,874</u>
NET POSITION			
Net Investment in Capital Assets	3,061,463	-	3,061,463
Restricted Net Position	150,085	-	150,085
Unrestricted Net Position	<u>1,441,943</u>	<u>10,762</u>	<u>1,452,705</u>
TOTAL NET POSITION	<u>\$ 4,653,491</u>	<u>\$ 10,762</u>	<u>\$ 4,664,253</u>

The accompanying footnotes are an integral part of these financial statements.

NORTH PARK SCHOOL DISTRICT R-1
Statement of Activities
For the Year Ended June 30, 2013

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Change in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary Government							
Governmental Activities							
Instruction	\$ 1,521,056	\$ -	\$ 155,677	\$ -	\$ (1,365,379)	\$ -	\$ (1,365,379)
Supporting Services	1,200,519	7,344	160,882	1,608	(1,030,685)	-	(1,030,685)
Interest on Long Term Debt	184	-	-	-	(184)	-	(184)
Total Governmental Activities	<u>2,721,759</u>	<u>7,344</u>	<u>316,559</u>	<u>1,608</u>	<u>(2,396,248)</u>	<u>-</u>	<u>(2,396,248)</u>
Business Type Activities							
Food Service	<u>129,245</u>	<u>40,344</u>	<u>50,309</u>	<u>-</u>	<u>-</u>	<u>(38,592)</u>	<u>(38,592)</u>
Total Primary Government	<u>\$ 2,851,004</u>	<u>\$ 47,688</u>	<u>\$ 366,868</u>	<u>\$ 1,608</u>	<u>(2,396,248)</u>	<u>(38,592)</u>	<u>(2,434,840)</u>
General Revenues							
Property Taxes					990,501	-	990,501
Specific Ownership Taxes					202,310	-	202,310
State Equalization					881,710	-	881,710
Investment Earnings					13,952	-	13,952
Gain (Loss) on Capital Asset Disposals					139,804	-	139,804
Other Revenues					131,270	-	131,270
Transfers					<u>(29,662)</u>	<u>29,662</u>	<u>-</u>
Total General Revenues and Transfers					<u>2,329,885</u>	<u>29,662</u>	<u>2,359,547</u>
Change in Net Position					(66,363)	(8,930)	(75,293)
Beginning Net Position					<u>4,719,854</u>	<u>19,692</u>	<u>4,739,546</u>
Ending Net Position					<u>\$ 4,653,491</u>	<u>\$ 10,762</u>	<u>\$ 4,664,253</u>

The accompanying footnotes are an integral part of these financial statements.

NORTH PARK SCHOOL DISTRICT R-1
Balance Sheet
Governmental Funds
June 30, 2013
(With Comparative Totals for June 30, 2012)

	Capital Projects		Special Revenue	Totals	
	General Fund	Capital Reserve Project Fund	Nonmajor Designated Grants Fund	2013	2012
ASSETS					
Cash and Investments	\$ 1,401,863	\$ 228,034	\$ 8,054	\$ 1,637,951	\$ 1,482,837
Cash with Fiscal Agent	82,143	-	-	82,143	130,209
Taxes Receivable	68,788	-	-	68,788	101,326
Interfund Accounts Receivable	18,654	134,000	-	152,654	152,654
Grants Receivable	20,377	-	21,555	41,932	65,773
TOTAL ASSETS	\$ 1,591,825	\$ 362,034	\$ 29,609	\$ 1,983,468	\$ 1,932,799
LIABILITIES AND FUND BALANCE					
Liabilities					
Interfund Accounts Payable	\$ 134,000	\$ -	\$ 18,654	\$ 152,654	\$ 152,654
Accounts Payable	22,847	-	-	22,847	10,268
Accrued Salaries & Benefits	201,384	-	2,532	203,916	201,662
Grant Unearned Revenue	-	-	8,423	8,423	6,483
Total Liabilities	358,231	-	29,609	387,840	371,067
Fund Balance					
Restricted Fund Balance					
Restricted for TABOR Emergencies	70,000	-	-	70,000	70,000
Restricted for Colorado Preschool Program	80,085	-	-	80,085	98,491
Assigned Fund Balance					
Assigned for Capital Outlay	-	362,034	-	362,034	405,817
Unrestricted Fund Balance	1,083,509	-	-	1,083,509	987,424
Total Fund Balance	1,233,594	362,034	-	1,595,628	1,561,732
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,591,825	\$ 362,034	\$ 29,609	\$ 1,983,468	\$ 1,932,799

The accompanying footnotes are an integral part of these financial statements.

NORTH PARK SCHOOL DISTRICT R-1
Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2013

Fund Balance - Governmental Funds	\$ 1,595,628
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds	
Capital assets, not being depreciated	28,595
Capital assets, being depreciated	5,386,732
Accumulated depreciation	(2,342,061)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.	
Capital leases payable	(11,803)
Accrued compensated absences	<u>(3,600)</u>
Total Net Position - Governmental Activities	<u><u>\$ 4,653,491</u></u>

The accompanying footnotes are an integral part of these financial statements.

NORTH PARK SCHOOL DISTRICT R-1
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)

	Capital Projects		Special Revenue	Totals	
	General Fund	Capital Reserve Project Fund	Nonmajor Designated Grants Fund	2013	2012
REVENUES					
Local Sources	\$ 1,390,659	\$ 1,334	\$ -	\$ 1,391,993	\$ 1,223,253
Intermediate Sources	48,968	-	-	48,968	64,224
State Sources	950,065	-	6,117	956,182	1,080,685
Federal Sources	136,395	-	21,556	157,951	517,044
TOTAL REVENUES	<u>2,526,087</u>	<u>1,334</u>	<u>27,673</u>	<u>2,555,094</u>	<u>2,885,206</u>
EXPENDITURES					
Instruction	1,411,980	-	27,673	1,439,653	1,442,438
Pupil Support	58,628	-	-	58,628	57,368
Staff Support	26,944	-	-	26,944	30,733
General Administration	207,847	-	-	207,847	208,860
School Administration	126,014	-	-	126,014	123,481
Business Services	50,985	-	-	50,985	50,331
Operations and Maintenance	257,609	12,318	-	269,927	300,728
Transportation	133,274	32,787	-	166,061	143,261
Other Central Support	149,307	12	-	149,319	119,484
Risk Management	4,986	-	-	4,986	121
Other Uses	2,791	-	-	2,791	-
Debt Service	881	-	-	881	-
TOTAL EXPENDITURES	<u>2,431,246</u>	<u>45,117</u>	<u>27,673</u>	<u>2,504,036</u>	<u>2,476,805</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	94,841	(43,783)	-	51,058	408,401
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	12,500	-	-	12,500	-
Transfer In (Out) - net	(29,662)	-	-	(29,662)	(23,084)
CHANGE IN FUND BALANCE	77,679	(43,783)	-	33,896	385,317
BEGINNING FUND BALANCE	1,155,915	405,817	-	1,561,732	1,176,415
ENDING FUND BALANCE	<u>\$ 1,233,594</u>	<u>\$ 362,034</u>	<u>\$ -</u>	<u>\$ 1,595,628</u>	<u>\$ 1,561,732</u>

The accompanying footnotes are an integral part of these financial statements.

NORTH PARK SCHOOL DISTRICT R-1
Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2013

Change in Fund Balance - Governmental Funds	\$	33,896
<p>Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level</p>		
Capitalized Asset Purchases		(75,302)
Depreciation Expense		(145,258)
Gain (Loss) on Asset Disposals		129,964
<p>Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level</p>		
Proceeds from debt issuances		(12,500)
Change in accrued compensated absences		2,140
		(10,360)
Total Net Position - Governmental Activities	\$	(66,363)

The accompanying footnotes are an integral part of these financial statements.

NORTH PARK SCHOOL DISTRICT R-1
Statement of Net Position
Proprietary Funds
Food Service Fund
June 30, 2013
(With Comparative Totals for June 30, 2012)

	TOTALS	
	2013	2012
ASSETS		
Cash and Investments	\$ 12,277	\$ 27,276
Grants Receivable	5,024	-
Inventory	3,092	2,525
Machinery & Equipment	6,163	6,163
Accumulated Depreciation	(6,163)	(6,163)
TOTAL ASSETS	20,393	29,801
LIABILITIES		
Accrued Salaries & Benefits	9,631	10,109
NET POSITION		
Unrestricted Net Position	\$ 10,762	\$ 19,692

The accompanying footnotes are an integral part of these financial statements.

NORTH PARK SCHOOL DISTRICT R-1
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Food Service Fund
For the Year Ended June 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)

	Totals	
	2013	2012
OPERATING REVENUES		
Food Service Revenue	\$ 39,219	\$ 36,154
Other Local	1,125	440
TOTAL OPERATING REVENUES	40,344	36,594
OPERATING EXPENSES		
Salaries	56,051	56,505
Benefits	27,646	25,645
PS - Professional	-	525
PS - Property	50	-
PS - Other	311	183
Supplies	1,564	1,874
Food	39,609	33,454
Commodities	3,180	5,066
Property	834	887
Depreciation	-	616
TOTAL OPERATING EXPENSES	129,245	124,755
OPERATING INCOME	(88,901)	(88,161)
OTHER REVENUES (EXPENSES)		
State Match - Child Nutrition	783	821
Smart Start Nutrition	415	393
State K-2 Reduced Lunch	58	236
Commodities	3,841	3,614
School Breakfast Program	8,026	7,730
Special Milk Program	390	390
National School Lunch Program	36,796	34,018
NET OTHER REVENUES (EXPENSES)	50,309	47,202
CHANGE IN NET POSITION BEFORE TRANSFERS	(38,592)	(40,959)
Transfers	29,662	23,084
CHANGE IN NET POSITION	(8,930)	(17,875)
BEGINNING NET POSITION	19,692	37,567
ENDING NET POSITION	\$ 10,762	\$ 19,692

The accompanying footnotes are an integral part of these financial statements.

NORTH PARK SCHOOL DISTRICT R-1
Statement of Cash Flows
Proprietary Funds
Food Service Fund
For the Year Ended June 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)

	Totals	
	2013	2012
Cash Flows from Operating Activities:		
Cash Received from Local Sources	\$ 40,344	\$ 36,594
Cash Paid to Suppliers	(69,921)	(62,931)
Cash Paid to Employees	(56,528)	(55,498)
Net Cash Provided (Used) for Operating Activities	(86,105)	(81,835)
Cash Flows from Noncapital Financing Activities:		
Cash Received from USDA/Colorado Nutrition Services	41,444	43,589
Cash Contributed from General Fund	29,662	23,084
Net Cash Provided by Noncapital Financing Activities	71,106	66,673
Cash Flows from Investing Activities:		
Net Increase(Decrease) in Cash	(14,999)	(15,162)
Cash, Beginning	27,276	42,438
Cash, Ending	\$ 12,277	\$ 27,276
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) for Operating Activities:		
Operating Income (Loss)	\$ (88,901)	\$ (88,161)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Donated Commodities	3,180	5,066
Depreciation	-	616
Changes in Assets and Liabilities Related to Operations:		
(Increase) Decrease in:		
Inventory	93	(363)
Increase (Decrease) in:		
Accrued Salaries & Benefits	(477)	1,007
Total Adjustments	2,796	6,326
Net Cash Provided (Used) for Operating Activities	\$ (86,105)	\$ (81,835)
Schedule of Non-Cash Activity:		
Donated Commodities	\$ 3,841	

The accompanying footnotes are an integral part of these financial statements.

NORTH PARK SCHOOL DISTRICT R-1
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013
(With Comparative Totals for June 30, 2012)

	<u>Scholarship</u>	<u>Pupil Activity</u>	<u>Totals</u>	
	<u>Agency Fund</u>	<u>Agency Fund</u>	<u>2013</u>	<u>2012</u>
ASSETS				
Cash and Investments	\$ 20,945	\$ 68,321	\$ 89,266	\$ 81,905
NET POSITION				
Restricted Net Position	<u>\$ 20,945</u>	<u>\$ 68,321</u>	<u>\$ 89,266</u>	<u>\$ 81,905</u>

The accompanying footnotes are an integral part of these financial statements.

NORTH PARK SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of North Park School District R-1 (the District) conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies.

Reporting Entity

In evaluating how to define the government, for financial reporting purposes, the District's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*.

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

Basis of Presentation

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

Revenues that are not classified as program revenues are presented as general revenues. The effects of interfund activity have been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds would be aggregated and reported as non-major funds. The fiduciary funds are presented separately. The District presently treats its Food Service fund as non-major. All other funds are treated as major funds.

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

NORTH PARK SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The District reports the following major governmental funds:

General Fund - This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Funds (Capital Reserve Fund) - These funds are used to account for the completion of major capital projects. The capital reserve activity is funded through elective transfers from the General Fund.

The District reports the following non-major proprietary fund:

Food Service Fund – The Food Service Fund accounts for the District’s food service program.

The District reports the following fiduciary funds:

Agency Funds (Pupil Activity and Scholarship Funds) – These funds are used to account for the money held by the District for student organization and scholarships. These funds are custodial and do not measure the results of operations.

Measurement Focus and Basis of Accounting

Government-Wide, Proprietary and Fiduciary Fund Financial Statements

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the same time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available as allowed by the per pupil operating revenue formula approved by the State legislature or within sixty days after year end. These revenues could include federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

NORTH PARK SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Governmental Fund Financial Statements (Continued)

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the programs. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles except for the business-type fund which budgets on a cash 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 budgets 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 amended by the Board of Education.
- Encumbrance accounting is not used.

Assets, Liabilities and Net Position/Fund Balance

Cash and Investments - The District pools cash resources of its various funds in order to facilitate the management of cash. Cash is pooled in interest bearing accounts which are comprised of certificates of deposit, savings accounts, and money market accounts which are legally authorized. Investments are stated at fair value.

Cash and Cash Equivalents – The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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

Inventories - Inventory of proprietary funds are valued at the lower of cost (first-in, first-out) or market.

NORTH PARK SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balance

Capital Assets – Capital assets used in governmental activities operations are shown on the government-wide financial statements. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the expenditure, and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds.

Property and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Property and equipment acquired for the proprietary fund is capitalized in the fund. Depreciation of exhaustible fixed assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the proprietary funds balance sheets.

The District capitalizes assets with an original value of at least \$5,000 and a useful life in excess of one year. Depreciation is computed over the expected use life of the underlying asset. 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 Site Improvements	10-75 years
Vehicles and Other Equipment	10-30 years

Accumulated unpaid sick and vacation and other pay are serviced from other revenues in the General Fund. These liabilities are only recorded on the government-wide financial statements as they are not expected to be financed from current resources. At June 30, 2013, the District has recorded \$3,600 of accrued leave.

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

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. The District has no nonspendable fund balances.

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

NORTH PARK SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education, are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts. The District has no committed fund balances.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All other remaining governmental balances are reported as unassigned.

Net Position/Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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, tax revenues, 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 that are directly attributable to a program are shown as program revenues for the statement of activities. These revenues consist of, but are not limited to grants, fees and other charges for services. Expenditures, where eligible, are first charged to restricted net position prior to being charged against unrestricted net position. Revenues and expenses of business-type funds are recognized in essentially the same manner as in commercial accounting.

Property Tax Revenues - Property taxes are levied on December 15 based on the assessed value of property as certified by the county assessor on October 1. 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.

NORTH PARK SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied. Property taxes are recognized as revenue when payable to the County Treasurer. Due to the nature of Colorado school district funding, uncollected property taxes levied in the current fiscal year for collection in the subsequent fiscal year are identified as property taxes receivable at June 30, and are presented net of an estimated allowance for uncollectible taxes.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

NOTE 2: CASH AND INVESTMENTS

Cash is allocated among the funds as follows:

Governmental funds	\$ 1,637,951
Business-type funds	12,277
Fiduciary funds	<u>89,266</u>
Total	<u>\$ 1,739,494</u>

Deposits

Custodial Credit Risk - Deposits

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

	Bank Balance	Book Balance
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized (Not held in District's name)	<u>1,541,730</u>	<u>1,489,494</u>
Total Cash Deposits	<u>\$ 1,791,730</u>	<u>\$ 1,739,494</u>

NORTH PARK SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

At June 30, 2013, the District's had no investments.

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

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

The District's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above.

Concentration of Credit Risk

The District places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2013, the District did not have any investments requiring safekeeping.

NOTE 3: INVENTORIES

Food Service Fund inventory as of June 30, 2013 of \$3,092, consisted of purchased and donated commodities amounting to \$1,591 and \$1,501, respectively. Purchased inventories are stated at 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.

NORTH PARK SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 4: CAPITAL ASSETS

A summary of capital asset balances is as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<u>Governmental Capital Assets:</u>				
Capital Assets not being depreciated:				
Land	\$ 28,595	\$ -	\$ -	\$ 28,595
Construction in Process	<u>10,025</u>	-	<u>10,025</u>	<u>-</u>
Total Capital assets not being depreciated	<u>38,620</u>	<u>-</u>	<u>10,025</u>	<u>28,595</u>
Capital Assets being depreciated:				
Buildings and Site Improvements	4,734,723	-	-	4,734,723
Vehicles and Other Equipment	<u>652,304</u>	<u>64,687</u>	<u>64,982</u>	<u>652,009</u>
Total Capital assets being depreciated	<u>5,387,027</u>	<u>64,687</u>	<u>64,982</u>	<u>5,386,732</u>
Less Accumulated Depreciation:				
Buildings and Site Improvements	(1,915,218)	(109,400)	-	(2,024,618)
Vehicles and Other Equipment	<u>(346,567)</u>	<u>(35,858)</u>	<u>(64,982)</u>	<u>(317,443)</u>
Net Vehicles and Other Equipment	<u>(2,261,785)</u>	<u>(145,258)</u>	<u>(64,982)</u>	<u>(2,342,061)</u>
Net Governmental Capital Assets	<u>\$ 3,163,862</u>	<u>\$ (80,571)</u>	<u>\$ 10,025</u>	<u>\$ 3,073,266</u>
Instruction		\$ 83,761		
Supporting Services		<u>61,497</u>		
Total Depreciation		<u>\$ 145,258</u>		
<u>Business-Type Capital Assets:</u>				
Equipment	\$ 6,163	\$ -	\$ -	\$ 6,163
Less: Accumulated Depreciation	<u>(6,163)</u>	-	-	<u>(6,163)</u>
Net Business-Type Capital Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Depreciation Allocated to Food Service		<u>\$ -</u>		

The District is required under GASB Statement No. 34, to compute depreciation on all of its capital assets and to record that depreciation on its government-wide financial statements. For the year ended June 30, 2013, depreciation has been charged to both governmental and business-type activities on the government-wide financial statements. Depreciation is not charged to governmental funds and is accordingly shown as a reconciliation item between the governmental fund and governmental activities presentations. Depreciation charged to the Food Service Fund is also shown in the business-type activities with no reconciliation necessary. The District does not record infrastructure. All infrastructure type assets have been included as part of the value of the related asset.

NORTH PARK SCHOOL DISTRICT R-1

NOTES TO 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 accrued compensation is reflected as a liability in the accompanying financial statements of the General and Food Service Funds as of June 30, 2013.

General Fund	\$	201,384
Grants Fund		2,531
Food Service Fund		<u>9,632</u>
Total	\$	<u>213,547</u>

NOTE 6: LONG-TERM DEBT

Changes in long-term debt balances as well as the current portion of each obligation are as follows:

	<u>Balance</u> <u>July 1,</u> <u>2012</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance</u> <u>June 30,</u> <u>2013</u>	<u>Current</u> <u>Portion</u>	<u>Interest</u> <u>Expense</u>
<u>Governmental Activities:</u>						
Capital Lease Payments	\$ -	\$ 12,500	\$ 697	\$ 11,803	\$ 2,893	\$ 184
Accrued Compensated Absences	<u>5,740</u>	<u>-</u>	<u>2,140</u>	<u>3,600</u>	<u>-</u>	<u>-</u>
Total Obligations	<u>\$ 5,740</u>	<u>\$ 12,500</u>	<u>\$ 2,837</u>	<u>\$ 15,403</u>	<u>\$ 2,893</u>	<u>\$ 184</u>

Capital Leases

In 2013, the District entered into a capital lease agreement for the purchase of an office copier. The lease requires 48 monthly payments beginning April 2013 of \$294, including interest at 6.0%. Equipment with a value of \$12,500 has been capitalized under this lease.

Future minimum capital lease payments at June 30, 2013, are as follows:

	<u>Year</u>	<u>Copier</u> <u>Lease</u>
2014		\$ 3,523
2015		3,523
2016		3,523
2017		<u>2,642</u>
Total Payments		13,211
Interest at 6.0%		<u>(1,408)</u>
Present Value of Payments		<u>\$ 11,803</u>

NORTH PARK SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 7: JOINTLY GOVERNED ORGANIZATION

The District is a participant among four Districts in a jointly governed organization to operate the Northwest 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. During the year ended June 30, 2013, the District paid \$28,747 in assessments to the BOCES. 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. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 325 7th Street, P.O. Box 773390, Steamboat Springs, CO 80477.

NOTE 8: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

For liability and property claims, the District purchases commercial insurance. Claims have not exceeded coverage and the District has not made any substantial changes in its insurance coverage in the past four years. The District carries commercial insurance for other risks of loss, including workers compensation and employee health insurance.

NOTE 9: DEFINED BENEFIT PENSION PLAN

Plan Description. The District contributes to the Combined State and School Division Trust Fund (CSSDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The CSSDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the District are members of the CSSDTF, 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 CSSDTF. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Basis of Accounting for the CSSDTF. The financial statements of the CSSDTF are prepared using the accrual basis of accounting. Member and employer contributions are recognized as revenues in the period in which the employer pays compensation to the member. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The CSSDTF plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

Funding Policy. Plan members and the District are required to contribute to the CSSDTF at a rate set by statute. 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 is 8.0% and for the District is 15.65% of covered salary through December 31, 2012 and 16.55% beginning January 1, 2013. A portion of the District's contribution (1.02% of covered salary July 1, 2012 through June 30, 2013) is allocated for the Health Care Trust Fund (See Note 10). The District's contributions to the CSSDTF for the years ending June 30, 2013, 2012, and 2011 were \$233,322, \$223,066, and \$206,883, respectively, equal to their required contributions for each year.

NORTH PARK SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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 by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Basis of Accounting for the HCTF. The financial statements of the HCTF are prepared using the accrual basis of accounting. Member and employer contributions are recognized as revenues in the period in which the employer pays compensation to the member. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The HCTF plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

Funding Policy. The District is required to contribute at a rate of 1.02% of covered salary from July 1, 2012 through June 30, 2013 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 contribution to the HCTF is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The District's contributions to HCTF for the years ending June 30, 2013, 2012, and 2011 were \$14,765, \$14,935, and \$14,740, respectively, equal to their required contributions for each year.

NOTE 11: DEFINED CONTRIBUTION PENSION PLAN

Plan Description. The (CSSDTF) members (See Note 9) of the District may voluntarily contribute to the Voluntary Investment Program (401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature.

Funding Policy. The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS. The 401(k) Plan member contributions from the District for the year ended June 30, 2013 were \$5,319. There were no employer contributions to the 401(k) Plan from the District.

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 and are subject to the various rules and regulations of the grantor agencies.. Expenditures financed by grants are subject to audit and adjustment by the appropriate grantor agency. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government.

NORTH PARK SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 12: COMMITMENTS AND CONTINGENCIES (Continued)

In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Tabor Amendment - In November 1992, Colorado voters passed Article X, Section 20, (the Tabor Amendment), to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the Amendment. On November 4, 1997, voters within the District authorized the District to collect, retain and expend all non-property tax revenues in the 1997-1998 fiscal year and in each fiscal year thereafter from all sources without regard to the limitations imposed by the Amendment. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has established an emergency reserve of \$70,000, as required by the Amendment.

NOTE 13: INTERFUND ACTIVITY

The District has the following interfund receivables and payables as of June 30, 2013.

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 152,654	\$ -
Capital Reserve Fund	-	134,000
Designated Grants Fund	-	18,654
Total	<u>\$ 152,654</u>	<u>\$ 152,654</u>

The District has recorded the following annual operating subsidies for the year ended June 30, 2013. In addition, the District has transferred elective amounts to the Capital Reserve Fund representing amounts designated for capital purchases and replacements:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 29,662
Food Service Fund	29,662	-
Total	<u>\$ 29,662</u>	<u>\$ 29,662</u>

NOTE 14: NEW ACCOUNTING STANDARDS

For the fiscal year ended June 30, 2013, the District adopted GASB Statement Number 62 – Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, GASB Statement Number 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position, and GASB Statement Number 65 – Items Previously Reported as Assets and Liabilities. The adoption of these standards primarily modified the presentation of items previously reported as assets and liabilities on the government-wide and proprietary statement of net position and on the governmental fund balance sheet. The District’s most significant change is all items previously referred to as “net assets” are now titled “net position”.

INTENTIONALLY LEFT BLANK

BUDGETARY COMPARISON SCHEDULES
(Required Supplementary Information)

NORTH PARK SCHOOL DISTRICT R-1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Property Taxes	\$ 925,779	\$ 975,444	\$ 983,824	\$ 8,380	\$ 875,753
Specific Ownership Taxes	194,640	194,640	202,310	7,670	198,068
Delinquent Taxes	4,000	6,772	6,677	(95)	7,145
Investment Earnings	11,000	10,850	12,618	1,768	13,104
Rent Revenue	2,250	2,250	4,610	2,360	-
Donations	132,500	132,500	139,430	6,930	94,959
Sale of Fixed Assets	-	-	9,840	9,840	-
Overhead Cost Revenue	2,732	2,729	2,734	5	-
Indirect Cost Revenue	-	-	-	-	2,709
Other Local	15,300	16,100	28,616	12,516	30,179
Total Local Sources	1,288,201	1,341,285	1,390,659	49,374	1,221,917
Intermediate Sources					
Mineral Leases	5,000	5,115	5,115	-	5,322
Impact Fee Revenue	1,400	1,500	1,608	108	1,608
Other Intermediate Source Revenue	41,200	41,914	42,245	331	57,294
Total Intermediate Sources	47,600	48,529	48,968	439	64,224
State Sources					
State Equalization	900,110	880,765	881,710	945	959,983
Transportation	32,000	30,769	31,820	1,051	33,830
State Grants from CDE					
State ECEA	-	-	-	-	10,400
State ELPA	950	1,100	2,270	1,170	1,099
Other CDE State Grants	-	529	-	(529)	13,156
State Vocational Education	38,000	32,000	23,865	(8,135)	57,578
State Grants Provided through BOCES	10,400	10,400	10,400	-	-
Total State Sources	981,460	955,563	950,065	(5,498)	1,076,046
Federal Sources					
Federal Grants from CDE					
Race to the Top	-	-	3,274	3,274	-
Education Jobs	-	-	-	-	2,103
Secure Rural Schools	-	81,364	78,379	(2,985)	415,255
School Safety	-	-	-	-	388
Federal Provided through BOCES	55,272	54,742	54,742	-	61,824
Total Federal Sources	55,272	136,106	136,395	289	479,570
TOTAL REVENUES	2,372,533	2,481,483	2,526,087	44,604	2,841,757

(Continued)

See the accompanying Independent Auditors' Report

NORTH PARK SCHOOL DISTRICT R-1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
EXPENDITURES					
Instruction					
Salaries	961,063	989,245	982,038	7,207	991,204
Benefits	289,486	305,281	297,587	7,694	272,222
PS - Professional	30,800	30,800	17,345	13,455	8,128
PS - Property	1,511	1,511	312	1,199	1,378
PS - Other	52,422	53,572	39,756	13,816	55,589
Supplies	87,399	90,019	67,255	22,764	69,151
Property	12,675	12,777	4,952	7,825	2,653
Other Expenses	-	-	2,734	(2,734)	-
Total Instruction	<u>1,435,356</u>	<u>1,483,205</u>	<u>1,411,979</u>	<u>71,226</u>	<u>1,400,325</u>
Supporting Services					
Pupil Support					
Salaries	32,238	32,665	33,887	(1,222)	28,966
Benefits	14,618	14,692	14,829	(137)	13,106
PS - Professional	-	1,655	1,655	-	8,521
Supplies	7,425	10,025	8,257	1,768	6,775
Total Pupil Support	<u>54,281</u>	<u>59,037</u>	<u>58,628</u>	<u>409</u>	<u>57,368</u>
Staff Support					
Salaries	26,000	26,000	17,590	8,410	21,426
Benefits	10,693	10,693	9,354	1,339	9,307
Total Staff Support	<u>36,693</u>	<u>36,693</u>	<u>26,944</u>	<u>9,749</u>	<u>30,733</u>
General Administration					
Salaries	84,200	85,484	84,958	526	89,778
Benefits	32,997	33,275	32,785	490	32,015
PS - Professional	12,400	17,500	8,531	8,969	17,383
PS - Property	23,300	21,300	22,676	(1,376)	28,226
PS - Other	17,500	17,900	30,999	(13,099)	14,861
Supplies	10,100	10,100	5,755	4,345	8,577
Other Expenses	22,032	22,079	22,143	(64)	18,020
Total General Administration	<u>202,529</u>	<u>207,638</u>	<u>207,847</u>	<u>(209)</u>	<u>208,860</u>
School Administration					
Salaries	82,702	88,214	86,414	1,800	79,212
Benefits	30,205	31,277	29,736	1,541	25,981
PS - Other	8,700	8,900	7,892	1,008	14,216
Supplies	3,700	3,700	1,572	2,128	3,672
Other Expenses	400	400	400	-	400
Total School Administration	<u>125,707</u>	<u>132,491</u>	<u>126,014</u>	<u>6,477</u>	<u>123,481</u>

(Continued)

See the accompanying Independent Auditors' Report

NORTH PARK SCHOOL DISTRICT R-1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)

	2013				2012 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
Salaries	36,300	36,300	38,252	(1,952)	39,273
Benefits	12,748	12,748	11,440	1,308	11,058
Other Expenses	1,400	1,400	1,293	107	-
Total Business Services	<u>50,448</u>	<u>50,448</u>	<u>50,985</u>	<u>(537)</u>	<u>50,331</u>
Operations and Maintenance					
Salaries	83,929	83,929	88,474	(4,545)	97,652
Benefits	30,055	30,055	29,890	165	29,363
PS - Property	38,700	41,400	30,889	10,511	32,117
PS - Other	2,000	2,000	1,784	216	3,714
Supplies	127,150	127,150	100,010	27,140	105,054
Property	2,700	5,050	6,562	(1,512)	1,943
Total Operations and Maintenance	<u>284,534</u>	<u>289,584</u>	<u>257,609</u>	<u>31,975</u>	<u>269,843</u>
Transportation					
Salaries	74,829	74,829	69,519	5,310	73,166
Benefits	16,198	16,198	14,461	1,737	14,448
PS - Professional	1,500	1,500	45	1,455	999
PS - Property	10,250	10,350	3,186	7,164	10,320
PS - Other	17,592	17,592	14,555	3,037	15,735
Supplies	27,400	28,800	31,508	(2,708)	28,594
Total Transportation	<u>147,769</u>	<u>149,269</u>	<u>133,274</u>	<u>15,995</u>	<u>143,262</u>
Other Central Support					
Salaries	20,049	20,599	20,497	102	18,184
Benefits	6,155	6,251	5,655	596	5,062
PS - Professional	13,500	13,500	21,260	(7,760)	9,577
PS - Other	52,559	54,913	48,465	6,448	43,787
Supplies	8,250	8,900	4,980	3,920	5,772
Property	30,000	30,000	48,450	(18,450)	37,102
Total Other Central Support	<u>130,513</u>	<u>134,163</u>	<u>149,307</u>	<u>(15,144)</u>	<u>119,484</u>
Risk Management					
PS - Other	5,000	5,000	4,986	14	122
Other Uses					
Up-Front Grant Match	-	2,300	2,791	(491)	-
Debt Service					
Principal	-	-	697	(697)	-
Interest	-	-	184	(184)	-
Total Debt Service	<u>-</u>	<u>-</u>	<u>881</u>	<u>(881)</u>	<u>-</u>
Contingency					
	756,893	981,876	-	981,876	-
TOTAL EXPENDITURES	<u>3,229,723</u>	<u>3,531,704</u>	<u>2,431,245</u>	<u>1,100,459</u>	<u>2,403,809</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>(857,190)</u>	<u>(1,050,221)</u>	<u>94,842</u>	<u>1,145,063</u>	<u>437,948</u>
OTHER FINANCING SOURCES (USES)					
Transfers	(50,849)	(40,367)	(29,662)	10,705	(157,084)
Capital Lease Proceeds	-	-	12,500	12,500	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(50,849)</u>	<u>(40,367)</u>	<u>(17,162)</u>	<u>23,205</u>	<u>(157,084)</u>
CHANGE IN FUND BALANCE	(908,039)	(1,090,588)	77,680	1,168,268	280,864
BEGINNING FUND BALANCE	961,791	1,155,915	1,155,915	-	875,051
ENDING FUND BALANCE	<u>\$ 53,752</u>	<u>\$ 65,327</u>	<u>\$ 1,233,595</u>	<u>\$ 1,168,268</u>	<u>\$ 1,155,915</u>

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

INTENTIONALLY LEFT BLANK

SPECIAL REVENUE FUNDS

NORTH PARK SCHOOL DISTRICT R-1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Nonmajor Designated Grants Fund
For the Year Ended June 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
State Sources					
State Grants Provided through BOCES	\$ 7,814	\$ 8,057	\$ 6,117	\$ (1,940)	\$ 4,639
Federal Sources					
Federal Grants from CDE					
Federal Grants from Other State Agencies					
Direct Federal Revenue					
NCLB Title VI, Part B - REAP/Rural Education	23,164	16,369	14,673	(1,696)	18,400
Federal Provided through BOCES	6,750	6,750	6,883	133	19,074
Total Federal Sources	29,914	23,119	21,556	(1,563)	37,474
TOTAL REVENUES	37,728	31,176	27,673	(3,503)	42,113
EXPENDITURES					
Instruction					
Salaries	22,273	16,494	13,713	2,781	18,178
Benefits	3,909	2,895	3,984	(1,089)	3,059
PS - Professional	3,086	3,085	2,170	915	50
PS - Other	1,500	1,500	520	980	447
Supplies	2,500	2,742	1,614	1,128	8,954
Property	4,460	4,460	5,672	(1,212)	11,425
TOTAL EXPENDITURES	37,728	31,176	27,673	3,503	42,113
CHANGE IN FUND BALANCE	-	-	-	-	-
BEGINNING FUND BALANCE	-	-	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying Independent Auditors' Report.

CAPITAL PROJECTS FUND

These funds are used to account for the completion of major capital projects. The capital reserve activity is funded through elective transfers from the General Fund.

NORTH PARK SCHOOL DISTRICT R-1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Reserve Project Fund
For the Year Ended June 30, 2013

	2013				2012 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Investment Earnings	\$ 3,200	\$ 1,300	\$ 1,334	\$ 34	\$ 1,338
EXPENDITURES					
Supporting Services					
Operations and Maintenance					
Property	-	-	12,318	(12,318)	30,885
Transportation					
Property	30,000	25,000	32,787	(7,787)	-
Other Central Support					
Other Expenses	-	-	12	(12)	-
Contingency	391,364	382,116	-	382,116	-
TOTAL EXPENDITURES	<u>421,364</u>	<u>407,116</u>	<u>45,117</u>	<u>361,999</u>	<u>30,885</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(418,164)	(405,816)	(43,783)	362,033	(29,547)
OTHER FINANCING SOURCES (USES)					
Transfers	-	-	-	-	134,000
CHANGE IN FUND BALANCE	(418,164)	(405,816)	(43,783)	362,033	104,453
BEGINNING FUND BALANCE	418,164	405,816	405,817	1	301,364
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362,034</u>	<u>\$ 362,034</u>	<u>\$ 405,817</u>

See accompanying Independent Auditors' Report.

ENTERPRISE FUND

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

The District has one enterprise fund as follows:

Food Service Fund

This fund accounts for all financial activities associated with the District school lunch program.

NORTH PARK SCHOOL DISTRICT R-1
Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual
Food Service Fund
For the Year Ended June 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance with Final Budget	
OPERATING REVENUES				
Food Service Revenue	\$ 34,300	\$ 39,219	\$ 4,919	\$ 36,154
Other Local	150	1,125	975	440
TOTAL OPERATING REVENUES	34,450	40,344	5,894	36,594
OPERATING EXPENSES				
Food Service				
Salaries	53,793	56,051	(2,258)	56,505
Benefits	27,831	27,646	185	25,645
PS - Professional	525	-	525	525
PS - Property	-	50	(50)	-
PS - Other	200	311	(111)	183
Supplies	1,950	1,564	386	1,874
Food	36,700	39,609	(2,909)	33,454
Commodities	5,100	3,180	1,920	5,066
Property	900	834	66	887
Depreciation	600	-	600	616
Contingency	12,760	-	12,760	-
TOTAL OPERATING EXPENSES	140,359	129,245	11,114	124,755
OPERATING INCOME	(105,909)	(88,901)	17,008	(88,161)
OTHER REVENUES (EXPENSES)				
State Grants from CDE				
State Match - Child Nutrition	800	783	(17)	821
Smart Start Nutrition	300	415	115	393
State K-2 Reduced Lunch	250	58	(192)	236
Federal Grants from CDE				
Commodities	3,500	3,841	341	3,614
School Breakfast Program	6,700	8,026	1,326	7,730
Special Milk Program	300	390	90	390
National School Lunch Program	34,000	36,796	2,796	34,018
NET OTHER REVENUES (EXPENSES)	45,850	50,309	4,459	47,202
CHANGE IN NET POSITION BEFORE TRANSFERS	(60,059)	(38,592)	21,467	(40,959)
Transfers	40,367	29,662	(10,705)	23,084
CHANGE IN NET POSITION	(19,692)	(8,930)	10,762	(17,875)
BEGINNING NET POSITION	19,692	19,692	-	37,567
ENDING NET POSITION	\$ -	\$ 10,762	\$ 10,762	\$ 19,692

See accompanying Independent Auditors' Report.

TRUST AND AGENCY FUNDS

Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private and student groups.

The District has established agency funds to account for various student activity groups and contributions from private organizations. The agency funds are custodial in nature and do not involve measurement of results of operations.

NORTH PARK SCHOOL DISTRICT R-1
Schedule of Revenues, Expenses and Changes in Fiduciary Net Position
Budget and Actual
Fiduciary Funds
Scholarship Agency Fund
For the Year Ended June 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance with Final Budget	
ADDITIONS				
Local Sources	\$ 6,100	\$ 5	\$ (6,095)	\$ 35
DEDUCTIONS				
Instruction	12,000	4,000	8,000	4,720
Contingency	19,040	-	19,040	-
TOTAL DEDUCTIONS	31,040	4,000	27,040	4,720
CHANGE IN NET POSITION	(24,940)	(3,995)	20,945	(4,685)
BEGINNING NET POSITION	24,940	24,940	-	29,625
ENDING NET POSITION	\$ -	\$ 20,945	\$ 20,945	\$ 24,940

See accompanying Independent Auditors' Report.

NORTH PARK SCHOOL DISTRICT R-1
Schedule of Revenues, Expenses and Changes in Fiduciary Net Position
Budget and Actual
Fiduciary Funds
Pupil Activity Agency Fund
For the Year Ended June 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance with Final Budget	
ADDITIONS				
Local Sources	\$ 140,000	\$ 104,805	\$ (35,195)	\$ 94,473
DEDUCTIONS				
Instruction	140,000	93,449	46,551	86,200
Contingency	56,965	-	56,965	-
TOTAL DEDUCTIONS	<u>196,965</u>	<u>93,449</u>	<u>103,516</u>	<u>86,200</u>
CHANGE IN NET POSITION	(56,965)	11,356	68,321	8,273
BEGINNING NET POSITION	<u>56,965</u>	<u>56,965</u>	<u>-</u>	<u>48,692</u>
ENDING NET POSITION	<u>\$ -</u>	<u>\$ 68,321</u>	<u>\$ 68,321</u>	<u>\$ 56,965</u>

See accompanying Independent Auditors' Report.

INTENTIONALLY LEFT BLANK

STATE COMPLIANCE

Colorado Department of Education
Auditors Integrity Report
 District: 1410 - NORTH PARK 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	1,057,424	2,454,236	2,358,151	1,153,509
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	98,491	54,689	73,095	80,086
Sub- Total	1,155,915	2,508,925	2,431,246	1,233,594
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	0	27,673	27,673	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	0	0	0	0
39 Non-Voter Approved Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	405,817	1,334	45,116	362,034
Totals	1,561,731	2,537,932	2,504,035	1,595,628
Proprietary				
51 Food Service Fund	19,692	120,314	129,244	10,762
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	19,692	120,314	129,244	10,762
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	24,940	5	4,000	20,945
74 Pupil Activity Agency Fund	56,965	104,805	93,448	68,321
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	81,904	104,810	97,448	89,266

FINAL

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



Colorado Department of Education

Bolded Balance Sheet Report
District: 1410 - NORTH PARK R-1
Fiscal Year 2012-13
Colorado School District/BOCES

ASSETS	Governmental							Proprietary				Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Enterprise Fund 51 (Food)	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	1,314,573	0	87,290	8,054	0	228,034	12,277	0	0	0	89,266	0	1,739,494
Cash with Fiscal Agent (8105)	82,143	0	0	0	0	0	0	0	0	0	0	0	82,143
Taxes Receivable (8121,8122)	68,788	0	0	0	0	0	0	0	0	0	0	0	68,788
Interfund Loans Receivable (8131,8132)	18,654	0	0	0	0	134,000	0	0	0	0	0	0	152,654
Grants Accounts Receivable (8142)	20,377	0	0	21,555	0	0	5,024	0	0	0	0	0	46,956
Inventories (8171,8172,8173)	0	0	0	0	0	0	3,092	0	0	0	0	0	3,092
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	1,504,536	0	87,290	29,609	0	362,034	20,394	0	0	89,266	0	0	2,093,128

Governmental Proprietary Fiduciary

LIABILITIES & FUND EQUITY	Governmental										Proprietary			Fiduciary
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Enterprise Fund 51 (Food)	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals	
Interfund Payables (7401,7402)	134,000	0	0	18,654	0	0	0	0	0	0	0	0	152,654	
Other Payables (7421-7423)	22,847	0	0	0	0	0	0	0	0	0	0	0	22,847	
Accrued Expenses (7461)	194,180	0	7,204	2,531	0	9,632	0	0	0	0	0	0	213,547	
Grants Deferred Revenue (7482)	0	0	0	8,423	0	0	0	0	0	0	0	0	8,423	
Total Liabilities	351,027	0	7,204	29,609	0	9,632	0	0	0	0	0	0	397,471	

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Enterprise Fund 51 (Food)	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Fund Balance 6720	0	0	0	0	0	0	0	0	0	0	0	0	0
TABOR 3% Emergency Reserve 6721	70,000	0	0	0	0	0	0	0	0	0	0	0	70,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	80,086	0	0	0	0	0	0	0	0	0	80,086
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0
Assigned Fund Balance 6760	0	0	0	0	0	362,034	0	0	0	0	0	0	362,034
Unassigned Fund Balance 6770	1,083,509	0	0	0	0	0	0	0	0	0	89,266	0	1,172,775
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	10,762	0	0	0	0	0	10,762
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	1,153,509	0	80,086	0	0	362,034	10,762	0	0	0	89,266	0	1,695,657

Total Liabilities & Fund Equity	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Enterprise Fund 51 (Food)	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
	1,504,536	0	87,290	29,609	0	362,034	20,394	0	0	0	89,266	0	2,093,128

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Enterprise Fund 51 (Food)	Other Enterprise Funds 50, 52-59	Risk related activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
For Each Fund Type: Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes