



**DIXON, WALLER & CO., INC.**

**FALCON SCHOOL DISTRICT**

**DISTRICT NUMBER 49**

**FALCON, COLORADO**

**REPORT ON EXAMINATION**

**JUNE 30, 2001**

# **DIXON, WALLER & CO., INC.**

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**DISTRICT NUMBER 49**

**REPORT ON EXAMINATION**

**JUNE 30, 2001**

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**BOND DISCLOSURE - UNDERTAKING TO PROVIDE ONGOING DISCLOSURE**

**Included in this document bound under separate cover**

**FALCON SCHOOL DISTRICT NUMBER 49**  
**ROSTER OF SCHOOL OFFICIALS**  
**June 30, 2001**

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**BOARD OF EDUCATION**

<b>Shyrl Springer</b>	<b>President</b>
<b>Doug Urbaniak</b>	<b>Vice-President</b>
<b>Judy Holman</b>	<b>Secretary</b>
<b>Paul Bryant</b>	<b>Co-Treasurer</b>
<b>Carol Chapman</b>	<b>Co-Treasurer</b>

**SCHOOL OFFICIALS**

<b>Mark Maksimowicz</b>	<b>Superintendent</b>
<b>Gene Logas</b>	<b>Assistant Superintendent/ Business and Auxiliary Services</b>

## **FINANCIAL SECTION**



**DIXON, WALLER & CO., INC.**

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CERTIFIED PUBLIC ACCOUNTANTS

130 N. SECOND ST.  
RATON, NEW MEXICO 87740  
(505) 445-5594

**INDEPENDENT AUDITOR'S REPORT**

**Board of Education  
Falcon School District Number 49  
Falcon, Colorado 80831**

We have audited the accompanying general purpose financial statements of Falcon School District Number 49 as of June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of Falcon School District Number 49 management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Falcon School District Number 49 as of June 30, 2001, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 31, 2001 on our consideration of Falcon School District Number 49's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of Falcon School District Number 49, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial

statements of Falcon School District Number 49. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The ongoing disclosure for bond issue requirements bound in this document under separate cover is not a required part of the general purpose financial statements, and we did not audit and do not express an opinion on such information.

*Piper, Waller & Co., Inc.*  
October 31, 2001



## **COMBINED FINANCIAL STATEMENTS**

**The general purpose financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds and account groups as of June 30, 2001.**



Debt Service	Proprietary Fund Type Enterprise	Fiduciary Fund Type Agency	Account Groups		Totals (Memo Only)
			General Long-Term Debt	General Fixed Assets	
59,095	359,622	307,577	-	-	10,545,037
3,832,643	-	-	-	-	7,569,202
-	-	-	-	-	266,719
-	-	-	-	-	137,129
109,858	-	-	-	-	327,709
-	-	-	-	-	367,084
-	76,281	-	-	-	76,281
-	-	-	-	-	9,838
-	-	-	-	57,425,521	57,425,521
-	480,451	-	-	-	480,451
-	(127,871)	-	-	-	(127,871)
-	-	-	2,204,333	-	2,204,333
-	-	-	38,938,098	-	38,938,098
<u>4,001,596</u>	<u>788,483</u>	<u>307,577</u>	<u>41,142,431</u>	<u>57,425,521</u>	<u>118,219,531</u>
924,880	-	-	-	-	2,746,302
697	1,093	-	-	-	1,440,154
-	17,278	-	234,526	-	302,726
-	37,572	-	-	-	3,766,847
52,141	-	-	-	-	367,084
819,545	-	-	-	-	1,253,638
-	-	307,577	-	-	307,577
-	-	-	6,032,905	-	6,032,905
-	-	-	33,960,000	-	33,960,000
-	-	-	915,000	-	915,000
<u>1,797,263</u>	<u>55,943</u>	<u>307,577</u>	<u>41,142,431</u>	<u>-</u>	<u>51,092,233</u>
-	-	-	-	57,425,521	57,425,521
-	335,627	-	-	-	335,627
-	396,913	-	-	-	396,913
-	-	-	-	-	361,303
-	-	-	-	-	958,300
2,019,170	-	-	-	-	5,096,873
185,163	-	-	-	-	2,552,761
<u>2,204,333</u>	<u>396,913</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,366,150</u>
<u>2,204,333</u>	<u>732,540</u>	<u>-</u>	<u>-</u>	<u>57,425,521</u>	<u>67,127,298</u>
<u>4,001,596</u>	<u>788,483</u>	<u>307,577</u>	<u>41,142,431</u>	<u>57,425,521</u>	<u>118,219,531</u>

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



<u>Capital Projects</u>	<u>Debt Service</u>	<u>Totals (Memo Only)</u>
-	2,940,903	8,949,184
119,028	7,792	2,768,661
-	-	22,039,171
-	-	134,935
-	-	1,284,097
-	-	-
<u>119,028</u>	<u>2,948,695</u>	<u>35,176,048</u>
-	-	16,144,272
-	-	12,166,221
2,852,785	-	7,264,416
-	-	51,951
-	2,801,969	2,801,969
-	-	1,473,515
<u>2,852,785</u>	<u>2,801,969</u>	<u>39,902,344</u>
<u>(2,733,757)</u>	<u>146,726</u>	<u>(4,726,296)</u>
-	-	5,517,265
-	-	-
-	-	<u>5,517,265</u>
(2,733,757)	146,726	790,969
<u>2,897,320</u>	<u>2,057,606</u>	<u>8,178,267</u>
<u>163,563</u>	<u>2,204,332</u>	<u>8,969,236</u>

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



Special Revenue Fund			Capital Projects Fund		
<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
-	-	-	-	-	-
25,400	298,572	273,172	79,430	119,028	39,598
-	-	-	-	-	-
-	-	-	-	-	-
1,505,947	1,284,097	(221,850)	-	-	-
<u>1,427,083</u>	<u>1,427,083</u>	-	-	-	-
<u>2,958,430</u>	<u>3,009,752</u>	<u>51,322</u>	<u>79,430</u>	<u>119,028</u>	<u>39,598</u>
-	-	-	-	-	-
194,219	304,280	(110,061)	-	-	-
6,843,717	4,411,631	2,432,086	4,876,441	2,852,785	2,023,656
-	-	-	-	-	-
-	-	-	-	-	-
1,664,611	1,473,515	191,096	-	-	-
<u>71,735</u>	-	<u>71,735</u>	<u>450,454</u>	-	<u>450,454</u>
<u>8,774,282</u>	<u>6,189,426</u>	<u>2,584,856</u>	<u>5,326,895</u>	<u>2,852,785</u>	<u>2,474,110</u>
(5,815,852)	(3,179,674)		(5,247,465)	(2,733,757)	
5,489,241	5,489,241	-	-	-	-
<u>158,664</u>	<u>189,418</u>	<u>30,754</u>	-	-	-
<u>5,647,905</u>	<u>5,678,659</u>	<u>30,754</u>	-	-	-
(167,947)	2,498,985		(5,247,465)	(2,733,757)	
167,947	8,421		5,247,465	2,897,320	
-	-		-	-	
-	<u>2,507,406</u>		-	<u>163,563</u>	

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

**FALCON SCHOOL DISTRICT NUMBER 49**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**ALL GOVERNMENTAL FUND TYPES**  
**For the Year Ended June 30, 2001**

	<u>Debt Service Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
Property Taxes	2,940,903	2,940,903	-
Local Sources	116,000	7,792	(108,208)
State Sources	-	-	-
Federal Sources	-	-	-
Grant Revenues	-	-	-
Allocated Revenues	-	-	-
<u>Total Revenues</u>	<u>3,056,903</u>	<u>2,948,695</u>	<u>(108,208)</u>
<b><u>EXPENDITURES</u></b>			
Instruction	-	-	-
Supporting Services	-	-	-
Capital Outlay	-	-	-
Other Uses of Funds	-	-	-
Debt Service	2,800,871	2,801,969	(1,098)
Grant Programs	-	-	-
Appropriated Reserves	<u>2,573,346</u>	<u>-</u>	<u>2,573,346</u>
<u>Total Expenditures</u>	<u>5,374,217</u>	<u>2,801,969</u>	<u>2,572,248</u>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	<b><u>(2,317,314)</u></b>	<b><u>146,726</u></b>	
<b><u>Other Financing Sources (Uses)</u></b>			
Lease Purchase Proceeds	-	-	-
Operating Transfer In (Out)	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Revenues and Other Sources Over (Under) Expenditures and Other Uses</u></b>	<b><u>(2,317,314)</u></b>	<b><u>146,726</u></b>	
<b><u>FUND BALANCE, July 1</u></b>	<b><u>2,317,314</u></b>	<b><u>2,057,606</u></b>	
<b><u>FUND BALANCE, June 30</u></b>	<b><u>-</u></b>	<b><u>2,204,332</u></b>	

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



**FALCON SCHOOL DISTRICT NUMBER 49**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN RETAINED EARNINGS/FUND BALANCES**  
**ALL PROPRIETARY FUND TYPES**  
**For the Year Ended June 30, 2001**

	<u><b>Food Services Fund</b></u>
<u><b>Operating Revenues</b></u>	
Local Sources	<u>862,100</u>
<u><b>Operating Expenses</b></u>	
Food Services	<u>1,103,711</u>
<u>Total Expenses</u>	<u>1,103,711</u>
<u><b>Income (Loss) from Operations</b></u>	<u>(241,611)</u>
<u><b>Non-Operating Revenues (Expenses)</b></u>	
Federal Aid	284,833
<u>Total Non-Operating Revenue (Expenses)</u>	<u>284,833</u>
<u><b>Net Income (Loss)</b></u>	43,222
<u><b>Retained Earnings</b></u>	
July 1	<u>353,691</u>
<u><b>Retained Earnings</b></u>	
June 30	<u><u>396,913</u></u>

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

**FALCON SCHOOL DISTRICT NUMBER 49  
COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
For the Year Ended June 30, 2001**

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	<u><b>Food Services Fund</b></u>
<u><b>Cash Flows from Operating Activities</b></u>	
Income (Loss) from Operations	(241,611)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
Depreciation	44,357
Commodities Used	55,247
(Increase) Decrease in Cash Purchased Inventory	757
(Increase) Decrease in Accounts Receivable	23,329
Increase (Decrease) in Accounts Payable	(22,735)
Increase (Decrease) in Accrued Salaries	1,340
Increase (Decrease) in Compensated Absences	(3,694)
<u><b>Net Cash Provided by (Used in) Operating Activities</b></u>	<u><b>(143,010)</b></u>
<u><b>Cash Flows from Investing Activities</b></u>	<u><b>-</b></u>
<u><b>Cash Flows from Non-Capital Financing Activities</b></u>	
Federal Aid - School Lunches	<u><b>208,587</b></u>
<u><b>Cash Flows from Capital and Related Financing Activities</b></u>	
Contributed Capital	3,836
Acquisition of Capital Assets	(60,029)
<u><b>Net Cash Provided by Capital and Related Financing Activities</b></u>	<u><b>(56,193)</b></u>
<u><b>Net Increase (Decrease) in Cash and Cash Equivalents</b></u>	<u><b>9,384</b></u>
<u><b>Cash and Cash Equivalents at Beginning of Year</b></u>	<u><b>350,238</b></u>
<u><b>Cash and Cash Equivalents at End of Year</b></u>	<u><b>359,622</b></u>

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

**FALCON SCHOOL DISTRICT NUMBER 49**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2001

**NOTE 1**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Falcon School District Number 49 (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**Reporting Entity**

The reporting entity, for financial purposes, is defined as the primary government (Falcon School District Number 49) and its component unit (El Paso School District Number 49 Building Authority). The fund types and account groups of the District are described in subsequent information contained in this footnote. The District is managed by a five member board of elected directors.

**Blended Component Unit.** The El Paso School District Number 49 Building Authority (EPSDBA) is governed by a five-member board. Although EPSDBA is legally separate from the District, it is reported as if it were part of the District primary government because its sole purpose is to finance and construct buildings and improvements for Falcon School District Number 49.

**Funds Included in Financial Statements**

The accompanying financial statements include all funds and account groups of Falcon School District Number 49 as required by Colorado School Law.

The Colorado School District Budget Law mandates the use of a General Fund, Capital Reserve Fund and Insurance Reserve Fund and, when specific levies are made, Bond Redemption Funds. Other funds are permitted to be established to account for other specific purposes as described under Fund Accounting, below.

**FUND ACCOUNTING**

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designated to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

**FALCON SCHOOL DISTRICT NUMBER 49**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2001**

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**NOTE 1**    **(Continued)**

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

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties or to other departments or agencies primarily within the government (enterprise funds). Proprietary activities are subject to all Governmental Accounting Standards Board pronouncements as well as all of the Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989.

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 organizations, other governments, and/or other funds. These include Expendable Trust and Agency Funds. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

General fixed assets are utilized for general District purposes and are capitalized at actual or estimated cost in the General Fixed Assets Group of Accounts. Contributions of such assets are also accounted for in the General Fixed Assets Group of Accounts and are recorded at estimated fair market value at the time of donation.

No depreciation is provided on general fixed assets. Maintenance, repairs, and minor renewals are expensed as incurred. Major additions and betterments are capitalized. When land and buildings are sold, the resulting gain or loss on sale is reflected in the capital reserve fund. When equipment is sold, the proceeds of the sale are recorded as revenue in the various funds as appropriate.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with the measurement of results of operations.

**FALCON SCHOOL DISTRICT NUMBER 49**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2001**

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**NOTE 1**      **(Continued)**

**BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. All Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income is considered "measurable" when in the hands of intermediary collecting governments and is recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Expenditures are generally recognized under the modified accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Proprietary Funds are accounted for on the accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they are earned and become measurable and expenses are recognized in the period incurred.

The District reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

**Budgets**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.

**FALCON SCHOOL DISTRICT NUMBER 49**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2001**

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**NOTE 1**    **(Continued)**

4.    The District is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board.
5.    Formal budgetary integration should be employed as a management control device during the year for the General Fund, Special Revenue Funds, Bond Redemption Fund, Building Fund and Enterprise (Food Service) Fund.
6.    Budgets for the General, Special Revenue Funds, Bond Redemption Fund, Capital Project Funds, Enterprise Funds and Agency Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7.    Budgeted amounts in this report are as originally adopted, or as amended by the District throughout the year. Individual amendments are not material in relation to the original appropriations.
8.    The El Paso School District Number 49 Building Authority is not required to adopt a budget because it is considered an exempt organization under 501(c)(3) of the Internal Revenue Code.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the various funds. Encumbrances lapse at the end of the year.

**Inventories**

Food Service Fund inventories consist of purchased and donated commodities. Purchased inventories are stated at lower of cost or market, as determined by the first-in, first-out method. Commodities donated by the Federal government are stated at cost according to USDA furnished price lists.

**Depreciation**

Depreciation of equipment and fixtures in the Enterprise Fund is provided on the straight-line method over estimated useful lives of five to fifteen years. Depreciation of the building in the Enterprise Fund is provided on the straight-line method over an estimated useful life of forty years.

**FALCON SCHOOL DISTRICT NUMBER 49**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2001**

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**NOTE 1**      **(Continued)**

**Cash**

The District pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

For purposes of the statement of cash flows, cash on hand, cash in bank and highly liquid investments with a maturity of three months or less when purchased or subject to withdrawal, are considered to be cash and cash equivalents.

**Investments**

Investments are stated at cost or amortized cost, which approximates market.

**Receivables**

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

**Due to and due from other funds**

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

**Memorandum Only - Total Columns**

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operation in conformity with generally accepted accounting principles.

**Property Taxes**

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following calendar year.

Property taxes are payable in full by April 30, or in two equal installments due February 28 and June 15. The County Treasurer bills and collects property taxes for all taxing entities within the County. The property tax receipts collected by the County Treasurer each month are remitted to the District by the tenth day of the subsequent month.

Recognized property tax revenue may not exceed the amount budgeted for the current fiscal year. Amounts collected in excess of the budgeted amounts have been recorded as deferred revenue.

**FALCON SCHOOL DISTRICT NUMBER 49**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2001**

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**NOTE 1**    **(Continued)**

**Interest**

Interest expense on general obligation bonds is recognized when coupons mature. Interest income is recognized as revenue when measurable and available.

**Inventories**

Food Service fund inventories as of June 30, 2001, consisted of purchased and donated commodities amounting to \$35,555 and \$40,726 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.

**Supplemental Disclosures of Cash Flow Information**

The Food Service Enterprise Fund paid no amounts for interest or income tax. Commodities were received through the Colorado Department of Education with a value of \$76,246. The value of commodities used for the year ended June 30, 2001 was \$55,247.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Reserves**

Portions of fund equity are segregated for future use and are therefore not available for future appropriation or expenditure. Designations of unreserved fund balances indicate the District's tentative plans for use of financial resources in a future period.

Article X, Section 20 of the Constitution of the State of Colorado required the District to establish Emergency Reserves (See Note 13). \$958,300 of the fund balance has been reserved in compliance with this requirement.

**Contributed Capital**

Contributed capital in the Enterprise Fund represents the amount of food service equipment purchased by other funds in the District.



**FALCON SCHOOL DISTRICT NUMBER 49**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2001**

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**NOTE 2**     **DEPOSITS AND INVESTMENTS.**

**Deposits**

Colorado state statutes govern the entity's deposit of cash. The Public Deposit Protection Act for banks and savings and loans require the state regulators to certify eligible depositories for public deposits. The acts require the eligible depositories with public deposits in excess of the federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or local Colorado Governments and obligations secured by first lien mortgages on real property located in the State.

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 assets in the pool must be at least equal to the uninsured deposits.

At June 30, 2001, the carrying amount of the District's deposits were \$7,798,736 and the bank balances were \$7,950,684. Of the total bank balances, \$200,035 was covered by FDIC insurance and \$7,750,649 falls under the provisions of the Colorado Public Deposit Protection Act of 1975 which are collateralized in single institution pools.

Cash was made up of the following amounts at June 30, 2001:

Cash and Cash Equivalents	<u><u>7,798,736</u></u>
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**Investments**

Under Colorado statutes, the District's fund types may lawfully invest eligible funds in the following securities:

- (1) Obligations of the United States and certain U.S. government agency securities
- (2) Certain international agency securities
- (3) General obligation and revenue bonds of U.S. local government entities
- (4) Bankers' acceptances of certain banks
- (5) Commercial paper
- (6) Local government investment pools
- (7) Written repurchase agreements collateralized by certain authorized securities
- (8) Certain money market funds
- (9) Guaranteed investment contracts

**NOTE 2**    **(Continued)**

The District may also deposit funds in Colorado financial institutions which are members of the Federal Deposit Insurance Corporation.

Investments are carried at cost or amortized cost.

Investments made by the District are summarized below. The investments that are represented by specific identifiable investments are classified as to credit risk by the three categories described below:

- Category 1    Investments that are insured or registered or for which the securities are held by the District or its agent in the District's name.
- Category 2    Uninsured and unregistered with securities held by the counterparty's trust department or agent in the District's name.
- Category 3    Uninsured and unregistered, with securities held by the counterparty, or by it's trust department or agent but not in the District's name.

Investments in local government investment pools or in money market funds are not categorized because they are not evidenced by securities that exist in physical or book entry form.

	<u>Category</u>			<u>Carrying</u>	<u>Market</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>	<u>Value</u>
COLOTRUST	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>7,569,201</u></u>	<u><u>7,569,201</u></u>

The designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST.

Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes.

**NOTE 3**    **CHANGES IN FIXED ASSETS**

A summary of changes in general fixed assets follows:

	<u>Balance</u>		<u>Transfers</u>	<u>Balance</u>
	<u>July 1,</u>		<u>and</u>	<u>June 30,</u>
	<u>2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>2001</u>
Sites	1,890,311	477,606	-	2,367,917
Buildings	39,468,642	3,440,223	-	42,908,865
Equipment	8,460,870	2,122,649	245,000	10,338,519
	49,819,823	6,040,478	245,000	55,615,301
Building Authority				
Building	1,810,220	-	-	1,810,220
	<u><u>51,630,043</u></u>	<u><u>6,040,478</u></u>	<u><u>245,000</u></u>	<u><u>57,425,521</u></u>

**FALCON SCHOOL DISTRICT NUMBER 49**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2001

**NOTE 3**     **(Continued)**

A summary of equipment in the proprietary fund type (Food Service Fund) at June 30, 2001 follows:

	<u>Balance July 1, 2000</u>	<u>Transfers and Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2001</u>
Equipment	420,422	60,029	-	480,451
Less: Accumulated Depreciation	<u>(83,514)</u>	<u>(44,357)</u>	<u>-</u>	<u>(127,871)</u>
Total	<u>336,908</u>	<u>15,672</u>	<u>-</u>	<u>352,580</u>

**NOTE 4**     **LONG-TERM DEBT**

Following is a summary of changes in long-term debt of the District for the year ended June 30, 2001:

	<u>Balance July 1, 2000</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2001</u>
1999 G.O. Bonds	16,775,000	-	40,000	16,735,000
1996 G.O. Bonds	15,350,000	-	100,000	15,250,000
1991 G.O. Refunding Bonds	2,625,000	-	650,000	1,975,000
Capital Lease Obligations	647,486	5,517,265	131,846	6,032,905
Compensated Absences	<u>246,254</u>	<u>-</u>	<u>11,728</u>	<u>234,526</u>
Total Long-Term Debt	35,643,740	5,517,265	933,574	40,227,431
Building Authority Cert.	<u>1,120,000</u>	<u>-</u>	<u>205,000</u>	<u>915,000</u>
Total Bonds, Certificates and Capital Leases Payable	<u>36,763,740</u>	<u>5,517,265</u>	<u>1,138,574</u>	<u>41,142,431</u>

1999 General Obligation bonds interest due semi-annually with rates ranging from 3.25% to 6.0%, principal due annually through 2018 in payments of \$45,000 to \$1,840,000.

1996 General Obligation Bonds interest due semi-annually with rates ranging from 4.0% to 6.5%, principal due annually through 2015 in payments of \$100,000 to \$1,790,000.

1991 General Obligation Refunding Bonds. Interest due semi-annually with rates ranging from 5.00% to 6.75%, principal due annually through 2004 in payments of \$535,000 to \$815,000.

**FALCON SCHOOL DISTRICT NUMBER 49**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2001**

**NOTE 4**    **(Continued)**

Following is a summary of debt service requirements to maturity of all bond issues.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	835,000	1,958,705	2,793,705
2003	875,000	1,933,192	2,808,192
2004	925,000	1,865,004	2,790,004
2005	1,105,000	1,813,186	2,918,186
2006	1,325,000	1,754,540	3,079,540
2007 and thereafter	<u>28,895,000</u>	<u>11,884,255</u>	<u>40,779,255</u>
<u>Total</u>	<u>33,960,000</u>	<u>21,208,882</u>	<u>55,168,882</u>

In May 1991, the District issued \$6,325,000 in General Obligation Refunding Bonds with an average interest rate of 6% to advance refund \$1,435,000 in 1985 General Obligation Building Bonds with an average interest rate of 9.13%; \$1,390,000 in 1986 General Obligation Building Bonds with an average interest rate of 7.77% and crossover refund \$3,500,000 of the 1984 General Obligation Bonds maturing on or after December 1, 1996. The District paid the principal and interest payments for the 1984 bonds through and including the crossover date of December 1, 1994. The District placed in an irrevocable escrow account, monies sufficient to pay the principal of the 1985 and 1986 bonds. As a result, the 1985 and 1986 bonds are considered to be defeased and have been removed from the general long-term debt account group. The 1984 bonds were defeased on the crossover date.

On February 1, 2000 the District issued \$1,125,000 in General Obligation Bonds with an average interest rate of 3.50 percent to advance refund \$1,050,000 of outstanding 1991 General Obligation Bonds. The net proceeds of \$1,101,555 (after payment of 25,263 in underwriting fees, insurance, other issuance costs and reimbursements to the District) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the 1991 General Obligation Bonds. As a result, \$1,050,000 of the 1991 General Obligation Bonds with an outstanding balance of \$4,285,000 at the time of refunding, are considered to be defeased and the liability for these bonds has been removed from the general long-term debt account group.

**Certificates of Participation**

Following is a summary of debt service requirements of the certificates of participation:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	210,000	36,351	246,351
2003	225,000	26,835	251,835
2004	230,000	16,738	246,738
2005	<u>250,000</u>	<u>5,782</u>	<u>255,782</u>
<u>Total</u>	<u>915,000</u>	<u>85,706</u>	<u>1,000,706</u>

**NOTE 4**     **(Continued)**

The District has entered into capital lease agreements to purchase portable classrooms and equipment. The future minimum lease payments are as follows:

<u>Year</u>	<u>Total</u>
2002	656,899
2003	656,899
2004	694,998
2005	655,643
2006	909,219
2007 and thereafter	<u>4,739,041</u>
	8,312,699
Less Amount Representing Interest	<u>(2,279,794)</u>
<u>Balance</u>	<u>6,032,905</u>

In addition, the District has a lease arrangement with a component unit, the El Paso County School District 49 Building Authority, a non-profit corporation, for the lease of a building. The lease is on a year-to-year basis. Lease payments under this agreement for the year ended June 30, 2001 were \$250,300.

**NOTE 5**     **RESTRICTED ASSETS**

Certain cash funds of the Building Authority are restricted by the bond documents for specific use of the Building Authority. The total of these restricted amounts is \$0 at June 30, 2001.

**NOTE 6**     **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 salaries and benefits earned, but unpaid, at June 30, 2001, are estimated to be \$3,766,847. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General and Enterprise Funds.

**NOTE 7**     **COMPENSATED ABSENCES**

Under the District's policies certain employees earn vacation pay of 10-20 days, based on longevity of service. All unused/accrued vacation leave is vested at June 30, each year. The unpaid vacation payable at June 30, 2001 is \$36,077.

**FALCON SCHOOL DISTRICT NUMBER 49**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2001**

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**NOTE 7**      **(Continued)**

Employees accrue 10-12 days of annual leave (sick pay) each year dependent upon their contract basis. Sick leave may be accumulated up to a maximum of 120 days. An employee will be reimbursed one-half of the current substitute rate of pay of his/her salary classification for any unused sick leave days beyond the 120 days as of July 31st annually.

Upon retirement (15 years or more in the Falcon School District and eligible for PERA retirement with at least 5 years of services in the Falcon School District) an employee will be reimbursed at the current substitute rate of pay for their classification, up to a maximum of 120 days. The unpaid liability for sick leave accruals is \$247,837.

The unpaid liability for personal days is \$18,812.

**NOTE 8**      **BENEFIT PLANS**

**Defined Benefit Pension Plan**

The District contributes to the Public Employees' Retirement Association of Colorado (PERA), a cost-sharing multiple-employer defined benefit pension plan. PERA provides retirement and disability benefits and survivor benefits to eligible beneficiaries annually adjusted for cost-of-living increases. Colorado Revised Statutes (Title 24, Article 51) provides authority for the operation of the plan. The plan is administered by a 16 member board of Trustees of which 14 are elected by the membership. PERA issues a publicly available financial report that includes financial statements and required supplementary information for PERA.

That report may be obtained by contacting PERA, 1300 Logan Street, Denver, Colorado 80203.

**FUNDING POLICY**

Plan members are required to contribute 8% of their annual covered salary and the District is required to contribute at a stipulated rate. That rate is currently 10.4% of annual covered payroll. A portion of the Districts' contribution (up to 3% of covered salary) may be allocated for the PERA Matchmaker plan. In addition a portion of the District's contribution (1.1% of covered salary) is allocated for the Health Care Fund. Requirements for contribution percentage are established and may be changed by the PERA Board of Trustees. The District's contributions for the latest three years were equal to the required contributions for the periods and were as follows:

**Year Ended June 30**

2001	\$2,070,200
2000	\$1,978,216
1999	\$1,731,808

**FALCON SCHOOL DISTRICT NUMBER 49**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2001

**NOTE 8**     **(Continued)**

**DEFINED CONTRIBUTION PENSION PLAN**

In January, 2001, the District began participating in an employer match plan instituted by the Public Employees Retirement Association (PERA) of Colorado. The program is called PERA MatchMaker. It was made possible by Senate Bill 99-90 and the fully funded status of the PERA defined benefit plan (described above). In this defined contribution plan, the employer matches dollar-for-dollar voluntary contributions made by employees to deferred compensation vehicles (IRS section 401 (k), 457 or 403 (b) plans administered by PERA and other plan providers) up to a maximum of 3% of the employee's PERA includable salary. The matching funds paid by the District are a direct reduction of the amount that would be submitted to PERA for the District's required contribution to the PERA defined benefit plan. If employees choose to make no voluntary deferred compensation contribution, the District makes the full employer contribution amount required by the defined benefit plan and 100% is submitted to PERA.

The District made matching contributions to eligible deferred compensation plans as follows:

<u>Year</u>	<u>Amount</u>
2001	\$ 73,228

**POST EMPLOYMENT HEALTH CARE BENEFITS**

The District contributes to the Health Care Fund (HCF), a cost sharing multiple-employer post-employment health care plan administered by the PERA. The HCF 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 HCF Benefit Provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCF. That report may be obtained in writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203.

**NOTE 9**     **CONTINGENT LIABILITIES**

**Grants**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**FALCON SCHOOL DISTRICT NUMBER 49**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2001

**NOTE 10**    **JOINT VENTURE**

Not reflected in the accompanying financial statements is the District's participation in the Pikes Peak Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district.

The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2001. The joint venture summary audited financial information as of June 30, 2000 is as follows:

Assets	<u>2,451,499</u>
Current Liabilities	<u>1,709,689</u>
Fund Equity	<u>741,810</u>
Total Liabilities and Fund Equity	<u>2,451,499</u>
Revenues	<u>9,949,912</u>
Expenditures	<u>10,099,900</u>
Excess (Deficiency)	<u>(149,988)</u>

The BOCES is not included as a component unit of the District as the oversight responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES.

**NOTE 11**    **RISK MANAGEMENT**

The District is exposed to losses related to torts; theft of, damage to or destruction of assets; errors and omissions; job-related illnesses or injuries to volunteers, and natural disasters. The District purchases sufficient commercial insurance to cover losses from these events, and does not self-insure or participate in a public entity risk pool. All risk management activities are accounted for in the Insurance Reserve Fund. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**NOTE 12**    **COMPLIANCE**

The District has complied with the requirements of the Financial Policies and Procedures Handbook for the 2000/2001 audit period as required by Colorado Statutes C.R.S. 22-44-204(3).

**NOTE 13**    **CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS**

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.



**FALCON SCHOOL DISTRICT NUMBER 49**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2001**

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**NOTE 13**    **(Continued)**

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. (The District's management believes none of its operations qualifies for this exclusion.)

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and student growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1994 and 3% thereafter. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocable pledging present cash reserves for all future payments.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

On November 7, 2001, the registered voters approved a ballot resolution authorizing Falcon School District Number 49 to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased or any new tax be imposed.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits (and qualification as an Enterprise) will require judicial interpretation.

**FALCON SCHOOL DISTRICT NUMBER 49**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2001

**NOTE 14**    **BUDGET COMPARISONS**

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>Food Services Fund</u></b>			
Revenues	<u>1,106,303</u>	<u>1,146,933</u>	<u>40,630</u>
Expenses	<u>1,504,750</u>	<u>1,103,711</u>	<u>401,039</u>
<b><u>Trust and Agency Funds</u></b>			
<b><u>Falcon Scholarship Fund</u></b>			
Receipts	<u>1,412</u>	<u>951</u>	<u>(461)</u>
Disbursements	<u>1,000</u>	<u>500</u>	<u>500</u>
<b><u>Pupil Activity Funds</u></b>			
Receipts	<u>787,726</u>	<u>1,025,173</u>	<u>237,447</u>
Disbursements	<u>786,704</u>	<u>1,004,830</u>	<u>(218,126)</u>

**NOTE 15**    **INTERFUND RECEIVABLES AND PAYABLES**

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	177,666	189,418
Designated Purpose Grants - Special Revenue	189,418	125,525
Bond Redemption - Debt Service	-	52,141
	<u>367,084</u>	<u>367,084</u>

**NOTE 16**    **COMPLIANCE WITH STATE LAWS**

The following funds of the District exceeded expenditure budgets as of June 30, 2001, and this may be a violation of Colorado Budget Law:

	<u>Expenditures in Excess of Budget</u>
Insurance Reserve - Special Revenue Fund	98,053
Pupil Activity - Agency Fund	218,126

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

**The Combining and Individual Fund Financial Statements represent the second and third levels of financial reporting for the district. These financial statements present more detailed information for the individual funds in a format that segregates information by fund type. For those fund types with a single fund, individual fund financial statements are presented.**

## **GENERAL FUND**

**The General Fund is used to account for resources traditionally associated with governments which are not required legally or by sound financial management to be accounted for in another fund.**

**FALCON SCHOOL DISTRICT NUMBER 49**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
<b><u>Local Sources</u></b>			
Property Taxes	6,008,281	6,008,281	-
Specific Ownership Taxes	1,188,995	1,408,966	219,971
Tuition	269,000	363,368	94,368
Interest on Taxes	5,000	10,004	5,004
Transportation Fees	50,000	56,573	6,573
Earnings on Investments	168,000	352,350	184,350
Other	114,650	152,008	37,358
<b><u>State Sources</u></b>			
State Equalization	21,253,459	21,189,628	(63,831)
Equalization Adjustment	(123,531)	(123,531)	-
Transportation	408,163	410,559	2,396
Transportation Adjustment	(5,170)	(5,170)	-
Vocational Education	176,358	173,939	(2,419)
Special Education	378,772	390,450	11,678
Other State	-	3,296	3,296
<b><u>Federal Sources</u></b>			
Medicaid	-	5,155	5,155
Impact Aid	30,000	129,780	99,780
<b><u>Allocation to Capital Reserve/ Insurance Reserve Fund</u></b>	<u>(1,427,083)</u>	<u>(1,427,083)</u>	<u>-</u>
<b><u>TOTAL REVENUES</u></b>	<b><u>28,494,894</u></b>	<b><u>29,098,573</u></b>	<b><u>603,679</u></b>
<b><u>EXPENDITURES</u></b>			
<b><u>Instruction</u></b>			
Salaries	12,377,292	12,255,396	121,896
Employee Benefits	2,374,818	2,300,271	74,547
Purchased Services-Professional	9,856	21,974	(12,118)
Purchased Services-Property	22,880	51,416	(28,536)
Purchased Services-Other	580,147	704,967	(124,820)
Supplies and Materials	471,775	602,504	(130,729)
Property	97,891	164,719	(66,828)
Other	41,089	43,025	(1,936)
<b><u>Total Instruction</u></b>	<b><u>15,975,748</u></b>	<b><u>16,144,272</u></b>	<b><u>(168,524)</u></b>

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

**FALCON SCHOOL DISTRICT NUMBER 49**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>(Continued)</u></b>			
<b><u>Supporting Services</u></b>			
Salaries	7,022,471	7,258,352	(235,881)
Employee Benefits	1,422,787	1,398,247	24,540
Purchased Services-Professional	166,331	240,097	(73,766)
Purchased Services-Property	493,262	608,647	(115,385)
Purchased Services-Other	786,065	558,380	227,685
Supplies and Materials	1,375,565	1,501,193	(125,628)
Property	246,509	209,291	37,218
Other	157,308	87,734	69,574
<b><u>Total Supporting Services</u></b>	<b><u>11,670,298</u></b>	<b><u>11,861,941</u></b>	<b><u>(191,643)</u></b>
<b><u>Other Uses</u></b>			
Other Uses of Funds	-	51,951	(51,951)
<b><u>Appropriated Reserves</u></b>	<b><u>876,901</u></b>	<b><u>-</u></b>	<b><u>876,901</u></b>
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>28,522,947</u></b>	<b><u>28,058,164</u></b>	<b><u>464,783</u></b>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	<b><u>(28,053)</u></b>	<b><u>1,040,409</u></b>	
<b><u>Other Financing Sources (Uses)</u></b>			
Lease Purchase Proceeds	-	28,024	28,024
Operating Transfer (Out)	(153,500)	(189,418)	(35,918)
<b><u>Total Other Financing Sources (Uses)</u></b>	<b><u>(153,500)</u></b>	<b><u>(161,394)</u></b>	<b><u>(7,894)</u></b>
<b><u>Revenues Over (Under) Expenditures and Other Uses</u></b>	<b><u>(181,553)</u></b>	<b><u>879,015</u></b>	
<b><u>Non-Appropriated Reserves</u></b>	<b><u>(2,959,492)</u></b>	<b><u>-</u></b>	
<b><u>FUND BALANCE, July 1</u></b>	<b><u>3,141,045</u></b>	<b><u>3,214,920</u></b>	
<b><u>FUND BALANCE, June 30</u></b>	<b><u>-</u></b>	<b><u>4,093,935</u></b>	

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

**FALCON SCHOOL DISTRICT NUMBER 49**  
**GENERAL FUND**  
**STATEMENT OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>INSTRUCTION</u></b>			
<b><u>Regular Programs</u></b>			
Salaries	12,377,292	12,255,396	121,896
Employee Benefits	2,374,818	2,300,271	74,547
Purchased Services-Professional	9,856	21,974	(12,118)
Purchased Services-Property	22,880	51,416	(28,536)
Purchased Services-Other	580,147	704,967	(124,820)
Supplies and Materials	471,775	602,504	(130,729)
Property	97,891	164,719	(66,828)
Other Objects	41,089	43,025	(1,936)
<b><u>Total Regular Programs</u></b>	<b><u>15,975,748</u></b>	<b><u>16,144,272</u></b>	<b><u>(168,524)</u></b>
<b><u>SUPPORTING SERVICES</u></b>			
<b><u>Students</u></b>			
Salaries	1,601,521	1,619,609	(18,088)
Employee Benefits	318,937	317,051	1,886
Purchased Services-Professional	3,406	3,059	347
Purchased Services-Property	550	130	420
Purchased Services-Other	15,645	9,833	5,812
Supplies and Materials	26,009	19,252	6,757
Property	3,021	-	3,021
Other	100	76	24
<b><u>Total Students</u></b>	<b><u>1,969,189</u></b>	<b><u>1,969,010</u></b>	<b><u>179</u></b>
<b><u>Instruction Staff</u></b>			
Salaries	796,669	767,836	28,833
Employee Benefits	138,882	129,685	9,197
Purchased Services-Professional	37,225	8,592	28,633
Purchased Services-Property	2,725	5,274	(2,549)
Purchased Services-Other	90,970	69,702	21,268
Supplies and Material	411,051	348,980	62,071
Property	9,700	11,948	(2,248)
Other	6,100	5,106	994
<b><u>Total Instructional Staff</u></b>	<b><u>1,493,322</u></b>	<b><u>1,347,123</u></b>	<b><u>146,199</u></b>
<b><u>General Administration</u></b>			
Salaries	144,935	150,044	(5,109)
Employee Benefits	22,620	27,602	(4,982)
Purchased Services-Professional	65,500	103,218	(37,718)
Purchased Services-Property	800	255	545
Purchased Services-Other	27,291	23,850	3,441
Supplies and Materials	8,842	5,301	3,541
Property	4,600	32,493	(27,893)
Other	15,000	13,040	1,960
<b><u>Total General Administration</u></b>	<b><u>289,588</u></b>	<b><u>355,803</u></b>	<b><u>(66,215)</u></b>

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

FALCON SCHOOL DISTRICT NUMBER 47  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
For the Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>SUPPORTING SERVICES (Continued)</u></b>			
<b><u>School Administration</u></b>			
Office of the Principal			
Salaries	1,578,225	1,601,416	(23,191)
Employee Benefits	275,843	250,795	25,048
Purchased Services-Professional	700	315	385
Purchased Services-Property	5,600	7,654	(2,054)
Purchased Services-Other	37,650	37,703	(53)
Supplies and Materials	57,520	42,690	14,830
Property	8,200	40,289	(32,089)
Other	1,300	8,571	(7,271)
<b><u>Total School Administration</u></b>	<b><u>1,965,038</u></b>	<b><u>1,989,433</u></b>	<b><u>(24,395)</u></b>
<b><u>Operations and Maintenance</u></b>			
Salaries	1,481,843	1,559,314	(77,471)
Employee Benefits	317,276	318,994	(1,718)
Purchased Services-Professional	18,000	57,901	(39,901)
Purchased Services-Property	394,300	506,282	(111,982)
Purchased Services-Other	17,350	7,496	9,854
Supplies and Materials	605,700	837,221	(231,521)
Property	131,988	62,851	69,137
Other	1,500	548	952
<b><u>Total Operations &amp; Maintenance</u></b>	<b><u>2,967,957</u></b>	<b><u>3,350,607</u></b>	<b><u>(382,650)</u></b>
<b><u>Pupil Transportation Services</u></b>			
Salaries	778,665	893,804	(115,139)
Employee Benefits	212,124	223,091	(10,967)
Purchased Services-Professional	7,000	5,245	1,755
Purchased Services-Property	22,000	57,132	(35,132)
Purchased Services-Other	7,575	8,927	(1,352)
Supplies and Materials	183,480	187,546	(4,066)
Property	13,000	15,114	(2,114)
Other	800	1,241	(441)
<b><u>Total Pupil Transportation</u></b>	<b><u>1,224,644</u></b>	<b><u>1,392,100</u></b>	<b><u>(167,456)</u></b>
<b><u>Other Business Services</u></b>			
Salaries	252,152	254,389	(2,237)
Employee Benefits	49,411	47,271	2,140
Purchased Services-Professional	17,000	8,490	8,510
Purchased Services-Property	3,000	1,729	1,271
Purchased Services-Other	17,300	18,147	(847)
Supplies and Materials	21,300	21,913	(613)
Property	7,500	6,083	1,417
Other	3,008	3,613	(605)
<b><u>Total Other Business Services</u></b>	<b><u>370,671</u></b>	<b><u>361,635</u></b>	<b><u>9,036</u></b>

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



**FALCON SCHOOL DISTRICT NUMBER 49**  
**GENERAL FUND**  
**STATEMENT OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>SUPPORTING SERVICES (Continued)</u></b>			
<b><u>Central Support Services</u></b>			
Salaries	388,461	411,940	(23,479)
Employee Benefits	87,694	83,758	3,936
Purchased Services-Professional	14,500	51,421	(36,921)
Purchased Services-Property	44,287	23,192	21,095
Purchased Services-Other	552,284	382,722	169,562
Supplies and Materials	37,515	35,713	1,802
Property	6,500	24,513	(18,013)
Other Objects	<u>118,500</u>	<u>53,914</u>	<u>64,586</u>
<b><u>Total Central Support Services</u></b>	<b><u>1,249,741</u></b>	<b><u>1,067,173</u></b>	<b><u>182,568</u></b>
<b><u>Other Support</u></b>			
Supplies and Materials	4,148	-	4,148
Other	<u>10,000</u>	<u>1,625</u>	<u>8,375</u>
<b><u>Total Other Support</u></b>	<b><u>14,148</u></b>	<b><u>1,625</u></b>	<b><u>12,523</u></b>
<b><u>Community Services</u></b>			
Supplies and Materials	<u>-</u>	<u>2,577</u>	<u>(2,577)</u>
<b><u>Facilities Acquisition/Construc.</u></b>			
Purchased Services-Professional	3,000	1,855	1,145
Purchased Services-Property	20,000	7,000	13,000
Purchased Services-Other	20,000	-	20,000
Supplies and Materials	20,000	-	20,000
Property	62,000	16,000	46,000
Other	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<b><u>Total Facilities Acquisition/ Construc.</u></b>	<b><u>126,000</u></b>	<b><u>24,855</u></b>	<b><u>101,145</u></b>
<b><u>TOTAL SUPPORTING SERVICES</u></b>	<b><u>11,670,298</u></b>	<b><u>11,861,941</u></b>	<b><u>(191,643)</u></b>
<b><u>Other Uses</u></b>			
Other Uses of Funds	<u>-</u>	<u>51,951</u>	<u>(51,951)</u>
<b><u>Appropriated Reserves</u></b>	<b><u>876,901</u></b>	<b><u>-</u></b>	<b><u>876,901</u></b>
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>28,522,947</u></b>	<b><u>28,058,164</u></b>	<b><u>464,783</u></b>

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

## **SPECIAL REVENUE FUNDS**

**Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.**

### **Capital Reserve Fund**

**This fund is authorized by Colorado School Law and is funded by General Fund allocated revenues. It is used to fund ongoing capital needs such as site acquisition, building additions and equipment purchases.**

### **Insurance Reserve Fund**

**This fund is authorized by Colorado School Law for the purpose of providing the District with a means to self-insure a portion of its insurance needs. Funding is provided by General Fund allocated revenues.**

### **Governmental Designated-Purpose Grants Fund**

**This fund is provided to maintain a separate accounting for federal and state grant funded programs which normally have a different fiscal period than that of the District.**



**Total  
(Memo  
Only)**

5,395,687  
141,787  
189,418  
137,129  
8,838  
5,872,859

1,821,422  
914,215  
216,119  
125,525  
288,172  
3,365,453

301,021  
2,206,385  
2,507,406

5,872,859

**The accompanying notes are an integral part of these financial statements.**



**Total  
(Memo  
Only)**

1,427,083  
61,298  
237,274  
1,284,097  
3,009,752

4,411,631  
304,280  
1,473,515  
6,189,426

(3,179,674)

189,418  
5,489,241  
5,678,659

2,498,985

8,421

2,507,406

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

**FALCON SCHOOL DISTRICT NUMBER 49**  
**CAPITAL RESERVE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
Earnings on Investments	400	61,298	60,898
Other Local	-	127,830	127,830
Allocated Revenues-General Fund	<u>1,252,083</u>	<u>1,242,083</u>	<u>(10,000)</u>
<u>Total Revenues</u>	<u>1,252,483</u>	<u>1,431,211</u>	<u>178,728</u>
<b><u>EXPENDITURES</u></b>			
Land and Improvements	191,050	33,970	157,080
Buildings	4,961,588	2,823,908	2,137,680
Equipment:			
Vehicles	909,241	547,267	361,974
Other Equipment	320,962	601,825	(280,863)
Other Expenses	460,876	404,661	56,215
Appropriated Reserves	<u>59,727</u>	<u>-</u>	<u>59,727</u>
<u>Total Expenditures</u>	<u>6,903,444</u>	<u>4,411,631</u>	<u>2,491,813</u>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	<b><u>(5,650,961)</u></b>	<b><u>(2,980,420)</u></b>	
<b><u>Other Financing Sources (Uses)</u></b>			
Lease Purchased Proceeds	5,489,241	5,489,241	-
Operating Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>5,489,241</u>	<u>5,489,241</u>	<u>-</u>
<b><u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u></b>	<b><u>(161,720)</u></b>	<b><u>2,508,821</u></b>	
<b><u>FUND BALANCE, July 1</u></b>	<b><u>161,720</u></b>	<b><u>360</u></b>	
<b><u>FUND BALANCE, June 30</u></b>	<b><u>-</u></b>	<b><u>2,509,181</u></b>	

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

**FALCON SCHOOL DISTRICT NUMBER 49**  
**INSURANCE RESERVE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2001**

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	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
Allocated Revenues - General Fund	175,000	185,000	10,000
Other	<u>25,000</u>	<u>109,444</u>	<u>84,444</u>
<u>Total Revenues</u>	<u>200,000</u>	<u>294,444</u>	<u>94,444</u>
<b><u>EXPENDITURES</u></b>			
Purchased Services	184,219	272,333	(88,114)
Supplies	10,000	10,591	(591)
Property	-	21,356	(21,356)
Appropriated Reserves	<u>12,008</u>	<u>-</u>	<u>12,008</u>
<u>Total Expenditures</u>	<u>206,227</u>	<u>304,280</u>	<u>(98,053)</u>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	(6,227)	(9,836)	
<b><u>FUND BALANCE, July 1</u></b>	<u>6,227</u>	<u>8,061</u>	
<b><u>FUND BALANCE (DEFICIT) June 30</u></b>	<u>-</u>	<u>(1,775)</u>	

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



**FALCON SCHOOL DISTRICT NUMBER 49**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**SPECIAL REVENUE - DESIGNATED - PURPOSE GRANT FUND**  
**For the Year Ended June 30, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
State Sources	684,320	272,093	(412,227)
Federal Sources	<u>821,627</u>	<u>1,012,004</u>	<u>190,377</u>
<b><u>Total Revenues</u></b>	<b><u>1,505,947</u></b>	<b><u>1,284,097</u></b>	<b><u>(221,850)</u></b>
 <b><u>EXPENDITURES</u></b>			
Instruction	<u>1,664,611</u>	<u>1,473,515</u>	<u>191,096</u>
 <b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	<b><u>(158,644)</u></b>	<b><u>(189,418)</u></b>	
 <b><u>Other Financing Sources (Uses)</u></b>			
Operating Transfer In	<u>158,664</u>	<u>189,418</u>	<u>30,754</u>
 <b><u>Revenues and Other Financing Sources Over (Under) Expenditures</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	
 <b><u>FUND BALANCE, July 1</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	
 <b><u>FUND BALANCE, June 30</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	

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



<u>Total Revenue</u>				<u>Expenditures</u>	<u>Net Transfers In (Out)</u>	<u>(Accrued) Deferred Revenue 6-30-01</u>
<u>Local</u>	<u>State</u>	<u>Federal</u>	<u>Total</u>			
-	40,390	-	40,390	229,788	189,398	-
-	304,715	-	304,715	183,067	-	121,648
-	54,252	-	54,252	21,903	-	32,349
-	3,146	-	3,146	3,166	20	-
-	-	-	-	23,587	-	-
-	-	52,850	52,850	-	(11,279)	-
-	-	-	-	-	(8,827)	-
-	-	-	-	-	(8,656)	-
-	-	-	-	-	(5,953)	-
-	-	-	-	-	(4,707)	-
-	-	3,648	3,648	-	(25,706)	-
-	-	168,141	168,141	125,525	(55,727)	-
-	-	-	-	-	(4,853)	-
-	-	-	-	-	-	64
-	-	-	-	-	-	40
-	-	-	-	-	(25,320)	-
-	-	-	-	-	(809)	-
-	-	58,484	58,484	61,191	11,279	8,572
-	-	20,479	20,479	25,580	8,827	3,726
-	-	28,498	28,498	29,473	8,656	7,681
-	-	15,975	15,975	16,217	10,660	10,418
-	-	16,175	16,175	8,306	25,706	33,575
-	-	185,900	185,900	378,756	55,727	(137,129)
-	-	33,044	33,044	36,137	4,853	1,760
-	-	80,220	80,220	63,772	25,320	41,768
-	-	205,418	205,418	192,532	809	13,695
-	-	87,391	87,391	74,515	-	12,876
-	402,503	956,223	1,358,726	1,473,515	189,418	151,043
-	-	95,558	95,558	-	-	137,129
-	(130,410)	(39,777)	(170,187)	-	-	(288,172)
-	<u>272,093</u>	<u>1,012,004</u>	<u>1,284,097</u>	<u>1,473,515</u>	<u>189,418</u>	<u>-</u>

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

## **CAPITAL PROJECTS FUNDS**

**Capital Projects Funds account for the financial resources used for the acquisition or construction of major capital facilities.**

**The District has two capital projects funds as follows:**

### **Building Funds**

**These funds account for specific capital construction projects funded by the sale of general obligation bonds. Separate funds are utilized to account for specific bond authorizations.**

### **Capital Reserve Capital Project Fund**

**This fund is to account for City and County impact fees in lieu of land dedication. The resources are to be used for the acquisition or construction of major capital facilities.**

**FALCON SCHOOL DISTRICT NUMBER 49**  
**COMBINING BALANCE SHEET**  
**ALL CAPITAL PROJECT FUNDS**  
**For the Year Ended June 30, 2001**

	<u>Building Fund (41)</u>	<u>Building Fund (44)</u>	<u>Capital Reserve Capital Project Fund</u>	<u>Total (Memo Only)</u>
<b><u>ASSETS</u></b>				
Cash	158,873	-	350	159,223
Accounts Receivable	-	-	4,340	4,340
<b><u>Total Assets</u></b>	<b><u>158,873</u></b>	<b><u>-</u></b>	<b><u>4,690</u></b>	<b><u>163,563</u></b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	-	-	-	-
Retainage Payable	-	-	-	-
<b><u>Total Liabilities</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b><u>Fund Balance</u></b>				
Unreserved:				
Designated for Subsequent Years' Expenditures	-	-	2,350	2,350
Undesignated	158,873	-	2,340	161,213
<b><u>Total Fund Balance</u></b>	<b><u>158,873</u></b>	<b><u>-</u></b>	<b><u>4,690</u></b>	<b><u>163,563</u></b>
<b><u>Total Liabilities and Fund Equity</u></b>	<b><u>158,873</u></b>	<b><u>-</u></b>	<b><u>4,690</u></b>	<b><u>163,563</u></b>

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

**FALCON SCHOOL DISTRICT NUMBER 49**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**ALL CAPITAL PROJECT FUNDS**  
**For the Year Ended June 30, 2001**

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	<u>Building Fund (41)</u>	<u>Building Fund (44)</u>	<u>Capital Reserve Capital Project Fund</u>	<u>Total (Memo Only)</u>
<b><u>Revenues</u></b>				
Earnings on Investments	29,685	57,699	-	87,384
Other Revenues	-	-	31,644	31,644
<u>Total Revenues</u>	<u>29,685</u>	<u>57,699</u>	<u>31,644</u>	<u>119,028</u>
<b><u>Expenditures</u></b>				
Land and Improvements	477,606	-	-	477,606
Building and Improvements	84,327	1,475,144	-	1,559,471
Equipment and Other	27,785	666,423	121,500	815,708
<u>Total Expenditures</u>	<u>589,718</u>	<u>2,141,567</u>	<u>121,500</u>	<u>2,852,785</u>
<b><u>Revenues Over (Under) Expenditures</u></b>	(560,033)	(2,083,868)	(89,856)	(2,733,757)
<b><u>Fund Balance, July 1</u></b>	<u>718,906</u>	<u>2,083,868</u>	<u>94,546</u>	<u>2,897,320</u>
<b><u>Fund Balance, June 30</u></b>	<u>158,873</u>	<u>-</u>	<u>4,690</u>	<u>163,563</u>

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

**FALCON SCHOOL DISTRICT NUMBER 49**  
**BUILDING (41) - CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
Earnings from Investments	<u>17,430</u>	<u>29,685</u>	<u>12,255</u>
<u>Total Revenues</u>	<u>17,430</u>	<u>29,685</u>	<u>12,255</u>
<b><u>EXPENDITURES</u></b>			
Site Improvement	402,691	477,606	(74,915)
Building	-	84,327	(84,327)
Equipment	-	27,785	(27,785)
Appropriated Reserves	<u>326,804</u>	<u>-</u>	<u>326,804</u>
<u>Total Expenditures</u>	<u>729,495</u>	<u>589,718</u>	<u>139,777</u>
 <b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	 (712,065)	 (560,033)	
 <b><u>FUND BALANCE, July 1</u></b>	 <u>712,065</u>	 <u>718,906</u>	
 <b><u>FUND BALANCE, June 30</u></b>	 <u>-</u>	 <u>158,873</u>	

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

**FALCON SCHOOL DISTRICT NUMBER 49**  
**BUILDING (44) - CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
Earnings from Investments	<u>32,000</u>	<u>57,699</u>	<u>25,699</u>
<b><u>EXPENDITURES</u></b>			
Building and Improvements	<u>4,323,750</u>	<u>1,475,144</u>	<u>2,848,606</u>
Equipment and Other	<u>150,000</u>	<u>666,423</u>	<u>(516,423)</u>
<u>Total Expenditures</u>	<u>4,473,750</u>	<u>2,141,567</u>	<u>2,332,183</u>
 <b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	 (4,441,750)	 (2,083,868)	
 <b><u>FUND BALANCE, July 1</u></b>	 <u>4,441,750</u>	 <u>2,083,868</u>	
  <b><u>FUND BALANCE, June 30</u></b>	  <u>      -</u>	  <u>      -</u>	

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



**FALCON SCHOOL DISTRICT NUMBER 49**  
**CAPITAL RESERVE - CAPITAL PROJECTS - CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2001**

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
Other Income	<u>30,000</u>	<u>31,644</u>	<u>1,644</u>
<b><u>EXPENDITURES</u></b>			
Equipment and Other	-	121,500	(121,500)
Appropriated Reserve	<u>123,650</u>	<u>-</u>	<u>123,650</u>
<u>Total Expenditures</u>	<u>123,650</u>	<u>121,500</u>	<u>2,150</u>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	(93,650)	(89,856)	
<b><u>FUND BALANCE, July 1</u></b>	<u>93,650</u>	<u>94,546</u>	
<b><u>FUND BALANCE, June 30</u></b>	<u>-</u>	<u>4,690</u>	

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

## **DEBT SERVICE FUND**

**Debt Service Funds** account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

### **Bond Redemption Fund**

**This fund is authorized by Colorado School Law. It provides revenues based upon a property tax mill levy set by the School Board to satisfy the District's bonded indebtedness on an annualized basis.**

**FALCON SCHOOL DISTRICT NUMBER 49**  
**BOND REDEMPTION - DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
Local Property Tax	2,940,903	2,940,903	-
Delinquent Taxes & Interest	-	3,679	3,679
Earnings on Investments	<u>116,000</u>	<u>4,113</u>	<u>(111,887)</u>
<u>Total Revenues</u>	<u>3,056,903</u>	<u>2,948,695</u>	<u>(108,208)</u>
<b><u>EXPENDITURES</u></b>			
Principal on Debt	790,000	790,000	-
Interest on Debt	2,007,871	2,007,873	(2)
Other Debt Service	3,000	4,096	(1,096)
Appropriated Reserves	<u>2,573,346</u>	<u>-</u>	<u>2,573,346</u>
<u>Total Expenditures</u>	<u>5,374,217</u>	<u>2,801,969</u>	<u>2,572,248</u>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(2,317,314)</u>	<u>146,726</u>	
<b><u>FUND BALANCE, July 1</u></b>	<u>2,317,314</u>	<u>2,057,606</u>	
<b><u>FUND BALANCE, June 30</u></b>	<u>-</u>	<u>2,204,332</u>	

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

## **ENTERPRISE FUND**

**Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the school board is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the school board has decided that periodic determination of net income is appropriate for accountability purposes.**

### **Food Services Fund**

**This fund is used to account for the costs of providing meals to students. Financing is from local and federal sources.**

**FALCON SCHOOL DISTRICT NUMBER 49**  
**FOOD SERVICE FUND**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN RETAINED EARNINGS**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2001**

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>OPERATING REVENUES</u></b>			
Food Sales	727,506	858,073	130,567
Other Local	<u>3,000</u>	<u>4,027</u>	<u>1,027</u>
<b><u>Total Operating Revenues</u></b>	<b><u>730,506</u></b>	<b><u>862,100</u></b>	<b><u>131,594</u></b>
<b><u>OPERATING EXPENSE</u></b>			
Salaries	424,603	361,880	62,723
Benefits	93,413	67,797	25,616
Food and Milk	670,797	527,734	143,063
Depreciation	35,649	44,357	(8,708)
Supplies	45,803	43,545	2,258
Purchased Services	28,900	58,268	(29,368)
Property	43,000	-	43,000
Other	25,200	130	25,070
Appropriated Reserves	<u>137,385</u>	<u>-</u>	<u>137,385</u>
<b><u>Total Operating Expenses</u></b>	<b><u>1,504,750</u></b>	<b><u>1,103,711</u></b>	<b><u>401,039</u></b>
<b><u>INCOME (LOSS) FROM OPERATIONS</u></b>	<b><u>(774,244)</u></b>	<b><u>(241,611)</u></b>	
<b><u>NON-OPERATING REVENUE</u></b>			
Federal Aid:			
Commodities	150,797	76,246	(74,551)
School Lunches	<u>225,000</u>	<u>208,587</u>	<u>(16,413)</u>
<b><u>Total Non-Operating Revenue</u></b>	<b><u>375,797</u></b>	<b><u>284,833</u></b>	<b><u>(90,964)</u></b>
<b><u>INCOME (LOSS)</u></b>	<b><u>(398,447)</u></b>	<b><u>43,222</u></b>	
<b><u>RETAINED EARNINGS, July 1</u></b>	<b><u>398,447</u></b>	<b><u>353,691</u></b>	
<b><u>RETAINED EARNINGS, June 30</u></b>	<b><u>-</u></b>	<b><u>396,913</u></b>	

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

## **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 agency funds are custodial in nature and do not involve measurement of results of operations:**

### **Falcon Scholarship Fund**

**The Falcon Scholarship Fund was established in 1967 as a means of aiding students of the Falcon School District Number 49 in securing education above the high school level.**

### **Pupil Activity Fund**

**The District has established an Agency Fund to account for various student activity groups.**

**FALCON SCHOOL DISTRICT NUMBER 49**  
**ALL AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**For the Year Ended June 30, 2001**

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	<u>Balance</u> <u>7-1-00</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6-30-01</u>
<b><u>Falcon Scholarship Fund</u></b>				
<u>Assets</u>				
Cash	<u>1,199</u>	<u>951</u>	<u>500</u>	<u>1,650</u>
<u>Liabilities</u>				
Due to Others	<u>1,199</u>	<u>951</u>	<u>500</u>	<u>1,650</u>
<b><u>Pupil Activity Funds</u></b>				
<u>Assets</u>				
Cash	<u>285,584</u>	<u>1,025,173</u>	<u>1,004,830</u>	<u>305,927</u>
<u>Liabilities</u>				
Due to Others	<u>285,584</u>	<u>1,025,173</u>	<u>1,004,830</u>	<u>305,927</u>
<b><u>Total - All Agency Funds</u></b>				
<u>Assets</u>				
Cash	<u>286,783</u>	<u>1,026,124</u>	<u>1,005,330</u>	<u>307,577</u>
<u>Liabilities</u>				
Due to Others	<u>286,783</u>	<u>1,026,124</u>	<u>1,005,330</u>	<u>307,577</u>

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

**STATE REQUIRED SCHEDULE**



12/10/2001  
04:51 PM

Colorado Department of Education  
Fiscal Year 2000-2001  
Colorado School District/BOCES  
Auditor's Electronic Financial Data Integrity Check Figures

EL PASO FALCON 49  
District Code: 1110

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beginning Fund Balance +	Total Revenues & Other Sources -	Total Expenditures & Other Uses =	Ending Fund Balance
<b>Governmental</b>				
10 General Fund	3,214,920	29,126,597	28,247,583	4,093,935
20 Special Revenue Fund	0	23,587	23,587	0
21 Capital Reserve Spec Revenue Fund	360	6,920,452	4,411,631	2,509,181
22 Govt Designated-Purpose Grants Fund	-0	1,449,928	1,449,928	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Insurance Reserve Spec Revenue Fund	8,061	294,444	304,280	-1,775
25 Transportation Fund	0	0	0	0
30 Debt Service Fund	0	0	0	0
31 Bond Redemption Fund	2,057,606	2,948,695	2,801,969	2,204,332
41 Building Fund	2,802,774	87,384	2,731,285	158,873
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	94,546	31,644	121,500	4,690
TOTALS	8,178,268	40,882,731	40,091,762	8,969,237
<b>Proprietary</b>				
51 Food Service Fund	689,318	1,146,933	1,103,712	732,539
50 Other Enterprise Funds	0	0	0	0
64 Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
TOTALS	689,318	1,146,933	1,103,712	732,539
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
71 Expendable Trust Fund	0	0	0	0
72 Non-Expendable Trust Fund	0	0	0	0
73 Agency Fund	1,199	951	500	1,650
74 Pupil Activity Agency Fund	285,584	1,025,173	1,004,830	305,927
TOTALS	286,782	1,026,124	1,005,330	307,577

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**SINGLE AUDIT SECTION**



**DIXON, WALLER & CO., INC.**

164 E. MAIN  
TRINIDAD, COLORADO 81082  
(719) 846-9241 • FAX: (719) 846-3352

CERTIFIED PUBLIC ACCOUNTANTS

130 N. SECOND ST.  
RATON, NEW MEXICO 87740  
(505) 445-5594

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

**To the Board of Education  
Falcon School District Number 49  
Falcon, Colorado 80831**

We have audited the financial statements of Falcon School District Number 49 as of and for the year ended June 30, 2001, and have issued our report thereon dated October 31, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Falcon School District Number 49's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Falcon School District Number 49's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Falcon School District Number 49's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2001-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control

that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Sison, Waller & Co., Inc.*  
October 31, 2001



**DIXON, WALLER & CO., INC.**

164 E. MAIN  
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(719) 846-9241 • FAX: (719) 846-3352

CERTIFIED PUBLIC ACCOUNTANTS

130 N. SECOND ST.  
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(505) 445-5594

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

**To the Board of Education  
Falcon School District Number 49  
Falcon, Colorado 80831**

**Compliance**

We have audited the compliance of Falcon School District Number 49, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. Falcon School District Number 49's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Falcon School District Number 49's management. Our responsibility is to express an opinion on Falcon School District Number 49's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Falcon School District Number 49's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Falcon School District Number 49's compliance with those requirements.

In our opinion, Falcon School District Number 49 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

**Internal Control Over Compliance**

The management of Falcon School District Number 49 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Falcon School District Number 49's internal control over compliance with requirements that could have a direct and material effect

on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133. We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Falcon School District Number 49's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2001-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Paxon Waller & Co., Inc.*  
October 31, 2001

**FALCON SCHOOL DISTRICT NUMBER 49**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2001**

**SUMMARY OF AUDITOR'S RESULTS:**

**Report**

An unqualified report has been issued on the financial statements of Falcon School District Number 49.

**Reportable Conditions**

Conditions were disclosed by the audit, none are considered material weaknesses.

**Noncompliance**

No instances of noncompliance in amounts material to the financial statements of Falcon School District Number 49 were disclosed by the audit.

**Reportable on Compliance - Major Programs**

An unqualified report has been issued on Falcon School District Number 49 compliance for major programs.

**Audit Findings**

No audit findings requiring disclosure in accordance with OMB Circular A-133 section 510 were disclosed by the audit.

**Major Programs**

Education of the Handicapped - IDEA Part-B

**Dollar Threshold to Distinguish Type A and Type B Programs**

\$300,000.

**Qualification as low-risk auditee**

The District qualifies as a low-risk auditee for fiscal year 2000/2001.

**FINDINGS - GAGAS**

**Item 2001-1**

Falcon School District Number 49 has an inherent problem it shares with other entities in that it has a limited number of personnel performing accounting and administrative functions. Therefore, a proper separation of duties and responsibilities is not possible.

**(Continued)**

**FINDINGS - FEDERAL AWARDS**

**None.**





**DIXON, WALLER & CO., INC.**

**FALCON SCHOOL DISTRICT**

**NUMBER 49**

**FALCON, COLORADO**

**UNDERTAKING TO PROVIDE**

**ONGOING DISCLOSURE**

**JUNE 30, 2001**

**FALCON SCHOOL DISTRICT NUMBER 49**  
**SEC BOND ISSUE REQUIREMENT**  
**UNDERTAKING TO PROVIDE ONGOING DISCLOSURE**

Pursuant to the requirements of Section (b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12 (17CFR Part 240, section 240.15c2-12) (the "Rule"), the District has agreed to provide certain financial information and other operation data (the "Undertaking") to nationally recognized municipal securities information repositories ("NRMSIRs").

The following 10 tables are the information specified in the covenants to bond holders. The information is of June 30, 2001. This information was prepared by the District and has not been subjected to the audit process.

**TABLE I**  
**District General Obligation Debt Service Requirements**

<u>Year</u>	<u>The Series 1999 A Bonds (1)</u>			<u>The Series 1999B Bonds (1)</u>			<u>Other General Obligation Bonds</u>	<u>Total Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		
2001	25,000	447,501	472,501	15,000	19,800	34,800	1,319,808	1,827,109
2002	25,000	894,128	919,128	345,000	39,074	384,074	1,504,990	2,808,192
2003	25,000	893,240	918,240	360,000	26,828	386,828	1,508,710	2,813,778
2004	165,000	892,328	1,057,328	365,000	13,688	378,688	1,510,216	2,946,232
2005	315,000	886,140	1,201,140				1,909,003	3,110,143
2006	420,000	874,170	1,294,170				1,909,766	3,203,936
2007	535,000	858,000	1,393,000				1,906,765	3,299,765
2008	665,000	825,900	1,490,900				1,910,155	3,401,055
2009	800,000	786,000	1,586,000				1,909,900	3,495,900
2010	935,000	738,000	1,673,000				1,904,950	3,577,950
2011	1,065,000	686,575	1,751,575				1,905,125	3,656,700
2012	1,180,000	628,000	1,808,000				1,909,775	3,717,775
2013	1,320,000	563,100	1,883,100				1,908,250	3,791,350
2014	1,440,000	490,500	1,930,500				1,905,550	3,836,050
2015	1,525,000	404,100	1,929,100				1,906,350	3,835,450
2016	1,635,000	312,600	1,947,600					1,947,600
2017	1,735,000	214,500	1,949,500					1,949,500
2018	1,840,000	110,400	1,950,400					1,950,400
<b>Total</b>	<b><u>15,650,000</u></b>	<b><u>11,505,182</u></b>	<b><u>27,155,182</u></b>	<b><u>1,085,000</u></b>	<b><u>99,390</u></b>	<b><u>1,184,390</u></b>	<b><u>26,829,313</u></b>	<b><u>55,168,885</u></b>

Source: The District

**TABLE II**  
**History of District Mill Levies**

<u>Levy/Collection Year</u>	<u>General Fund Mill Levy</u>	<u>Bond Fund Mill Levy</u>	<u>Abatements</u>	<u>Total Mill Levy</u>
1995/1996	38.212	21.371	0.082	59.665
1996/1997	38.212	20.871	0.114	59.197
1997/1998	35.608	16.437	0.072	52.117
1998/1999	35.608	16.680	1.311	53.599
1999/2000	31.667	16.967	0.208	48.842
2000/2001	31.667	16.014	0.089	47.770

Sources: State of Colorado, Colorado Department of Local Affairs, Division of Property Taxation, 1995-2001 State of Colorado Property Tax Annual Reports, and the El Paso County Assessor's Office.

**TABLE III**  
**History of District's Assessed Valuation**

<u>Levy/ Collection Year</u>	<u>Assessed Valuation</u>	<u>Increase or (Decrease)</u>	<u>Percent Change</u>
1995/1996	90,862,140	16,625,370	18.3%
1996/1997	98,519,090	7,656,950	7.8%
1997/1998	125,939,080	27,419,990	21.8%
1998/1999	136,934,510	10,995,430	8.7%
1999/2000	169,235,000	32,300,956	23.6%
2000/2001	189,733,200	20,498,200	10.8%

Sources: State of Colorado, Colorado Department of Local-Affairs, Division of Property Taxation, 1995/2001 State of Colorado Property Tax Annual Reports and the El Paso County Assessor's Office.

**TABLE IV**  
**2000 Assessed and "Actual" Valuation of Classes of Property in the District**

<u>Class</u>	<u>Assessed Valuation</u>	<u>Percent of Assessed Valuation</u>	<u>"Actual" Valuation</u>	<u>Percent of "Actual" Valuation</u>
Vacant Land	22,728,730	12.0%	78,371,683	5.1%
Residential	129,040,660	68.0	1,324,691,930	86.4
Commercial	24,267,440	12.8	83,680,928	5.5
Industrial	7,071,940	3.7	24,385,971	1.6
Agricultural	1,145,140	.6	3,948,500	.2
Natural Resources	115,510	.1	398,343	-
State Assessed	5,363,780	2.8	18,495,793	1.2
<u>Total</u>	<u>189,733,200</u>	<u>100.0%</u>	<u>1,533,973,148</u>	<u>100.0%</u>

**TABLE V**  
**Historical Property Tax Collections**

<u>Fiscal Year</u>	<u>Total Taxes Levied</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Taxes Interest &amp; Penalties</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Levy (1)</u>
1995/1996	5,421,309	5,348,654	98.7	12,982	5,361,636	98.9
1996/1997	5,832,059	5,657,853	97.0	11,028	5,668,881	97.2
1997/1998	6,563,606	6,518,176	99.3	12,385	6,530,561	99.5
1998/1999	7,339,553	7,287,202	99.3	18,797	7,305,999	99.5
1999/2000	8,265,776	8,207,558	99.3	22,516	8,230,074	99.6
2000/2001	9,063,555	9,010,184	99.5	16,191	9,026,375	99.6

(1) Figures include current and delinquent tax collections, as well as interest and/or penalties thereon.  
Treasurer's fees have not been deducted from these amounts.

Source: The District

**TABLE VI**  
**District Enrollment**

<u>School Year</u>	<u>Enrollment</u>	<u>Percent Increase Based Upon Total Enrollment</u>
1995/1996	3,599	12.7%
1996/1997	3,988	10.8%
1997/1998	4,403	10.4%
1998/1999	4,874	10.7%
1999/2000	5,242	7.6%
2000/2001	5,799	10.7%

Source: Colorado Department of Education and the District

**TABLE VII**  
**Summary of General Fund Revenues, Expenditures, and Fund Balances**

	<u>1996-1997</u>	<u>1997-1998</u>	<u>1998-1999</u>	<u>1999-2000</u>	<u>2000-2001</u>
<b><u>REVENUES</u></b>					
<b>Local</b>					
Property Taxes	3,716,038	4,476,167	4,930,606	5,482,525	6,008,281
Specific Ownership Taxes	537,757	854,445	1,012,145	1,230,168	1,408,966
Tuition	40,207	65,349	65,091	32,916	363,368
Interest on Taxes	7,350	7,388	8,192	6,437	10,004
Transportation Fees	9,549	16,356	19,298	20,019	56,573
Earnings on Investments	111,437	133,937	171,924	359,648	352,350
Other	<u>192,713</u>	<u>157,057</u>	<u>97,525</u>	<u>218,341</u>	<u>152,008</u>
<b>Total Local Revenues</b>	<u>4,615,051</u>	<u>5,710,699</u>	<u>6,304,781</u>	<u>7,350,054</u>	<u>8,351,550</u>
<b>State</b>	13,204,234	15,163,683	17,609,578	19,297,875	22,039,171
<b>Federal</b>	-	-	99,791	50,078	134,935
<b>Excess Collections TABOR</b>	-	-	(198,208)	198,208	-
<b>Allocated Revenues</b>	<u>(1,198,246)</u>	<u>(1,220,600)</u>	<u>(2,290,000)</u>	<u>(2,339,133)</u>	<u>(1,427,083)</u>
<b>Total Revenues</b>	<u>16,621,039</u>	<u>19,653,782</u>	<u>21,525,942</u>	<u>24,557,082</u>	<u>29,098,573</u>
<b><u>EXPENDITURES</u></b>					
Instruction	9,976,952	10,408,101	13,012,475	14,794,758	16,144,272
Supporting Services	6,502,765	7,747,685	8,651,289	10,228,724	11,861,941
Community Services	84,770	-	-	-	-
Other Uses of Funds	-	-	-	33,741	51,951
Debt Services	<u>414</u>	<u>-</u>	<u>6,695</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>16,564,901</u>	<u>18,155,786</u>	<u>21,670,459</u>	<u>25,057,223</u>	<u>28,058,164</u>
<b><u>OTHER FINANCING (USES)</u></b>					
Proceeds from Capital Lease	-	-	-	-	28,024
Operating Transfers Out	<u>(118,100)</u>	<u>-</u>	<u>(105,136)</u>	<u>(64,658)</u>	<u>(189,418)</u>
<b>Total</b>	<u>(118,100)</u>	<u>-</u>	<u>(105,136)</u>	<u>(64,658)</u>	<u>(161,394)</u>
<b><u>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER (USES)</u></b>					
	(61,962)	1,497,996	(249,653)	(564,799)	879,015
<b><u>FUND BALANCE</u></b>					
Beginning of Year	2,157,899	2,095,937	3,890,698	3,641,045	3,214,920
Prior Year Correction	-	<u>296,765</u>	<u>-</u>	<u>138,674</u>	<u>-</u>
<b>End of Year</b>	<u>2,095,937</u>	<u>3,890,698</u>	<u>3,641,045</u>	<u>3,214,920</u>	<u>4,093,935</u>

Sources: District audited financial statements for fiscal years ended June 30, 1997-2001.

**TABLE VIII**  
**General Fund Budget Summary and Comparison**

	<u>1999-2000 Budget</u>	<u>2000-2001 Actual</u>	<u>2000-2001 Budget</u>
<u>Beginning Fund Balance</u>	690,016	3,214,920	3,141,045
<u>Non-Appropriated Reserve</u>	<u>-</u>	<u>-</u>	<u>(2,959,492)</u>
<u>Adjusted Fund Balance</u>	<u>690,016</u>	<u>3,214,920</u>	<u>181,553</u>
<u>Revenue</u>			
Local Sources	6,567,706	8,351,550	7,803,926
State Sources	19,973,891	22,039,171	22,088,051
Federal Sources	23,000	134,935	30,000
<u>Allocation to Capital Reserve or Insurance Reserve</u>	<u>(1,277,133)</u>	<u>(1,427,083)</u>	<u>(1,427,083)</u>
<u>Lease Purchase Proceeds</u>	<u>-</u>	<u>28,024</u>	<u>-</u>
<u>Net Revenue</u>	<u>25,287,464</u>	<u>29,126,597</u>	<u>28,494,894</u>
<u>Total Funds Available</u>	<u>25,977,480</u>	<u>32,341,517</u>	<u>28,676,447</u>
<u>Expenditures</u>			
Instruction	14,527,377	16,144,272	15,975,748
Support Services	10,499,612	11,861,941	11,670,298
Other Uses of Funds	-	51,951	-
Transfers Out	110,106	189,418	153,500
Other	840,385	-	876,901
<u>Total Expenditures</u>	<u>25,977,480</u>	<u>28,247,582</u>	<u>28,676,447</u>

Sources: District 2000/2001 and 1999/2000 Budgets and the District audited actual.