

CALHAN SCHOOL DISTRICT RJ-1
Calhan, Colorado

Financial Statements

For the Year Ended June 30, 2016



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 Calhan, Colorado
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Auditor's Integrity Report

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Calhan School District RJ-1
Calhan, Colorado 80808

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Calhan School District RJ-1, as of and for the year ended June 30, 2016, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Calhan School District RJ-1, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages a-f and 20-22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. For the management discussion & analysis we have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Calhan School District RJ-1's basic financial statements. The combining and individual nonmajor fund financial statements and the Auditor's Integrity Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual nonmajor fund financial statements and the Auditor's Integrity Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

WINFREY, COUNTY & HAYS, PC
Certified Public Accountants



by: Gerald County, CPA

October 27, 2016

CALHAN SCHOOL DISTRICT RJ-1
Management's Discussion and Analysis
Year Ending June 30, 2016

As management of Calhan School District RJ-1 we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ending June 30, 2016. We encourage readers to consider the information presented here in conjunction with the information furnished in our financial statements.

Financial Highlights

- The net position of the District decreased by \$416,755 to \$1,074,697.
- The District's governmental funds reported unassigned fund balances of \$1,196,788 in the General Fund, a committed fund balance for capital projects in the Capital Reserve Fund of \$632,393.
- The general fund showed a decrease of \$248,444, the capital reserve fund an increase of \$438,215, the food service fund a decrease of \$1,534, and the student activity fund a decrease of \$54.

Overview of the Financial Statements

The annual audit report has four parts: 1) the management's discussion and analysis, 2) the basic financial statements, 3) required supplementary and other information, and 4) auditor's financial data integrity (CDE form).

The management's discussion and analysis is a general statement about the annual audit report prepared by the superintendent of schools. The intent is to report only the most relevant financial information about Calhan School District RJ-1.

The basic financial statements report the combined government-wide finances, individual government funds, fiduciary funds, and provide financial commentary. For Calhan School District, government funds include general operations, capital reserve and bond redemption funds. Calhan also has one fiduciary fund (pupil activity).

The next section is for both required supplementary and other information. This section provides additional explanations and supports the information in the basic financial statements.

The auditor's financial data integrity is a form required by the Colorado Department of Education for their automated data exchange system. It shows the total financial transactions for all funds.

Government-Wide Financial Statements

These statements report information about the District as a whole using accounting methods similar to those methods used by private sector companies.

The statement of net position presents information on all the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

CALHAN SCHOOL DISTRICT RJ-1
Management's Discussion and Analysis
Year Ending June 30, 2016
(continued)

The statement of activities presents information showing how the District's net position changed. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide statements are divided into two categories:

Governmental activities – all of the District's basic services are included, such as instruction, administration, operation of the buildings and grounds, and pupil transportation. Property taxes, state and federal subsidies, and grants finance these activities.

Fund Financial Statements

These statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required by state law and bond requirements.

Governmental Funds are where most of the District's activities are reported, the focus is on the determination of financial position and change in financial position, not income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and services. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance District programs. The relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and the governmental funds is reconciled in the financial statements.

Fiduciary Funds act as a trustee or fiduciary for student activities. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance its operations.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information in addition to the basic financial statements and accompanying notes is presented in the form of certain required supplementary information for budgetary comparison.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In case of Calhan School District, assets exceed liabilities by approximately \$1,074,697 at the close of the most recent fiscal year.

The District's net position is \$1,074,697, with \$6,826,999 invested in capital assets (land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. The amount invested in capital assets is not available for future spending. Currently the District has no debt for capital assets.

CALHAN SCHOOL DISTRICT RJ-1
Management's Discussion and Analysis
Year Ending June 30, 2016
(continued)

The following table will show a comparison of governmental type activities between the fiscal years of 2016 and 2015.

Net Position - Fiscal Year Ended June 30, 2016 and 2015

	<u>Governmental Activities</u>	
	<u>6/30/16</u>	<u>6/30/15</u>
Current and other assets	2,294,524	2,016,704
Capital assets	<u>6,826,999</u>	<u>7,043,006</u>
Total Assets	9,121,523	9,059,710
Deferred Outflows	1,060,208	391,430
Current Liabilities	346,110	259,128
Net Pension Liability	<u>8,549,392</u>	<u>7,699,984</u>
Total Liabilities	8,895,502	7,959,112
Unearned Revenue	2,655	0
Deferred Inflows	208,877	575
Net Position		
Invested in capital assets	6,826,999	7,043,006
Restricted to TABOR	108,454	115,652
Restricted for preschool	0	16,527
Unrestricted	<u>(5,860,756)</u>	<u>(5,683,732)</u>
Total Net Position	<u>1,074,697</u>	<u>1,491,453</u>

CALHAN SCHOOL DISTRICT RJ-1
Management's Discussion and Analysis
Year Ending June 30, 2016
(continued)

The net position of the District decreased by \$416,755. Most of the governmental activities were financed by taxpayers through state equalization payments and local property taxes.

Change in Net Position
Fiscal Year Ended June 30, 2016 and 2015

	<u>Governmental Activities</u>	
	<u>6/30/16</u>	<u>6/30/15</u>
REVENUES		
Program Revenues		
Charges for service	66,770	91,364
State grants	619,476	389,219
Federal grants	129,792	195,216
General Revenues		
Property taxes	670,367	587,650
Specific ownership	73,376	65,800
State equalization	3,075,061	3,150,413
Interest	8,134	6,971
Other	<u>48,151</u>	<u>63,202</u>
	4,691,127	4,549,834
EXPENSES		
Instruction	2,788,036	2,601,921
Pupil Services	352,787	353,934
Instructional Services	182,625	204,976
General Administration	183,740	191,330
School Administration	388,427	370,459
Accounting	150,217	148,539
Operations & Maintenance	394,159	409,200
Pupil Transportation	406,729	396,837
District Wide Costs	64,050	98,043
Interest & Fiscal Charges	0	0
Food Services	<u>197,112</u>	<u>187,786</u>
Total Expenses	<u>5,107,882</u>	<u>4,963,026</u>
Increase (Decrease) in Net Position	<u>(416,755)</u>	<u>(413,193)</u>

CALHAN SCHOOL DISTRICT RJ-1
Management's Discussion and Analysis
 Year Ending June 30, 2016
 (continued)

Financial Analysis of the District's Funds

At June 30, 2016, the District governmental funds reported a combined fund balance of \$1,945,759, which is an increase of \$188,183.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance is \$1,196,788. As a measure of liquidity, it may be useful to compare both the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 29% of total general fund expenditures.

The committed fund balance in the Capital Projects Fund is \$632,393. The Food Service Fund and the Student Activity Special Revenue Funds have assigned balances of \$606 and \$772, respectively. Food Service has nonspendable fund balance for its inventory.

Capital Assets and Debt Administration

As of June 30, 2016, the District had \$6,826,999 invested in capital assets (net of accumulated depreciation). This was a \$216,007 decrease in net capital assets, net of depreciation expense.

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Sites	34,623	34,623
Site Improvement	442,870	442,870
Buildings	8,261,572	8,207,911
Transportation	1,015,001	1,034,501
Equipment	<u>595,893</u>	<u>595,893</u>
Total	10,349,958	10,315,797
Accumulated Depreciation	<u>(3,522,959)</u>	<u>(3,272,791)</u>
Net Capital Assets	<u>6,826,999</u>	<u>7,043,006</u>

The major fixed assets purchases in the current year was replacement of part of a roof of \$53,661.

Long Term Debt

The District has no debt.

CALHAN SCHOOL DISTRICT RJ-1
Management's Discussion and Analysis
Year Ending June 30, 2016
(continued)

Major Fund Budgetary Highlights

The District approves the original budget in June based on enrollment projections for the following school year. In October, after funded pupil counts are refined, necessary budget adjustments are made.

Colorado statutes permit transferring budgeted amounts from one object or purpose to another within the same fund. Board policy allows management to transfer budgets between objects or purposes without obtaining authorization from the Board.

Economic Factors and Next Year's Budgets and Rates

The factors that will affect next year's budget are decreasing student enrollment, and state funding. Calhan School District has experienced a decrease in student enrollment over the last ten years and this trend continues, although we do seem to be leveling out. The District has made several cuts in supplies and staff over the past four years and this has helped to shore up our reserves. With this downward trend and the uncertainty of the state's economic future, the district is very conservative in budgeting decisions and is vigilant in evaluating the classroom structure of student/teacher ratios.

Additional Financial Information

The "Management's Discussion and Analysis" report is designed to provide a general overview of the District's finances with comments and predictions made by the District's superintendent. For additional information, contact the Calhan School District Office (719) 347-2541.

BASIC FINANCIAL STATEMENTS

CALHAN SCHOOL DISTRICT RJ-1
Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	1,748,268
Certificates of deposit	343,865
Accounts/Grants receivable	151,181
Inventory	6,747
Accrued property taxes receivable	44,464
Capital assets, net of accumulated depreciation	<u>6,826,999</u>
Total Assets	9,121,523
DEFERRED OUTFLOWS	1,060,208
LIABILITIES	
Current Liabilities	
Accounts payable	110,000
Accrued salaries payable	236,307
Payroll deductions	<u>(197)</u>
Total Current Liabilities	346,110
Long Term Liabilities	
Net Pension Liability	<u>8,549,392</u>
Total Liabilities	8,895,502
UNEARNED REVENUE	2,655
DEFERRED INFLOWS	208,877
NET POSITION	
Invested in capital assets	6,826,999
Restricted for TABOR	108,454
Unrestricted	<u>(5,860,756)</u>
Total Net Position	<u>1,074,697</u>

CALHAN SCHOOL DISTRICT RJ-1
Statement of Activities
For the Year Ended June 30, 2016

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Service</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>
Governmental Activities				
Instructional	2,788,036	2,744	343,514	
Support Services				
Pupil services	352,787	18,806		
Instructional services	182,625			
General administration	183,740			
School administration	388,427			
Accounting	150,217			
Operations & maintenance	394,159			166,304
Pupil transportation	406,729		120,322	
District wide costs	64,050			
Food Services	<u>197,112</u>	<u>45,221</u>	<u>119,128</u>	<u>0</u>
Total Governmental Activities	<u>5,107,882</u>	<u>66,770</u>	<u>582,964</u>	<u>166,304</u>

General revenues:

Taxes

 Property taxes, levied for general purposes

 Specific ownership taxes

State Equalization

Miscellaneous

Gain (Loss) on assets

Investment earnings

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue and
Changes in Net Position
Governmental
Activities

(2,441,777)

(333,982)

(182,625)

(183,740)

(388,427)

(150,217)

(227,855)

(286,407)

(64,050)

(32,763)

(4,291,844)

670,367

73,376

3,075,061

46,401

1,750

8,134

3,875,089

(416,755)

1,491,453

1,074,697

CALHAN SCHOOL DISTRICT RJ-1
Balance Sheet
Governmental Funds
June 30, 2016

	<u>General</u>	<u>Capital Projects</u>	<u>NonMajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	1,132,374	602,879	13,014	1,748,268
Certificates of deposit	343,865	0	0	343,865
Accounts/Grants receivable	121,667	29,514	0	151,181
Inventory	0	0	6,747	6,747
Accrued property taxes receivable	<u>44,464</u>	<u>0</u>	<u>0</u>	<u>44,464</u>
Total Assets	<u>1,642,371</u>	<u>632,393</u>	<u>19,761</u>	<u>2,294,524</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	110,000	0	0	110,000
Accrued salaries payable	227,331	0	8,976	236,307
Payroll Deductions	<u>(202)</u>	<u>0</u>	<u>5</u>	<u>(197)</u>
Total Liabilities	337,129	0	8,981	346,110
 Unearned Revenue	 0	 0	 2,655	 2,655
 Fund Balances				
Restricted for TABOR	108,454	0	0	108,454
Committed for capital projects	0	632,393	0	632,393
Nonspendable	0	0	6,747	6,747
Assigned	0	0	1,378	1,378
Unassigned	<u>1,196,788</u>	<u>0</u>	<u>0</u>	<u>1,196,788</u>
Total Fund Balances	<u>1,305,242</u>	<u>632,393</u>	<u>8,124</u>	<u>1,945,759</u>

See auditor's report and notes to the financial statements.

CALHAN SCHOOL DISTRICT RJ-1

Balance Sheet

Governmental Funds

June 30, 2016

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

Total Governmental Fund Balances	1,945,759
Amounts reported for governmental activities in the statement of net position are different because of the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	6,826,999
Deferred outflows of resources, reported as deferred amount on pensions, are not financial resources and thus are not reported as assets in governmental funds	1,060,208
Long-term liabilities, including accrued paid days off, are not due and payable in the current period and therefore are not reported in the funds	(8,549,392)
Deferred inflows of resources, reported as deferred amount on pensions, are not financial resources and thus are not reported as assets in governmental funds	<u>(208,877)</u>
Net Position of Governmental Activities	<u>1,074,697</u>

CALHAN SCHOOL DISTRICT RJ-1
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	<u>General</u>	<u>Capital Projects</u>	<u>NonMajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources				
Property Taxes	670,367	0	0	670,367
Specific Ownership Taxes	73,376	0	0	73,376
Interest	6,471	1,593	0	8,064
Other	113,873	1,750	0	115,623
Charges for Service	0	0	64,966	64,966
Intergovernmental				
State Sources				
Equalization	3,075,061	0	0	3,075,061
Transportation	120,322	0	0	120,322
Other	148,124	166,304	3,276	317,704
Federal Sources	<u>129,792</u>	<u>0</u>	<u>115,852</u>	<u>245,644</u>
Total Revenues	4,337,386	169,647	184,094	4,691,127
EXPENDITURES				
Current				
Instruction	2,319,754	0	0	2,319,754
Supporting Services				
Pupils	158,627	0	162,930	321,556
Instructional staff services	173,668	0	0	173,668
General administration	167,802	0	0	167,802
School administration	347,561	0	0	347,561
Accounting	138,603	0	0	138,603
Operations & maintenance	362,768	0	0	362,768
Pupil transportation	325,462	0	0	325,462
District wide costs	64,050	0	0	64,050
Food Service	0	0	185,952	185,952
Capital Outlay	<u>42,106</u>	<u>53,661</u>	<u>0</u>	<u>95,767</u>
Total Expenditures	<u>4,100,400</u>	<u>53,661</u>	<u>348,882</u>	<u>4,502,943</u>

CALHAN SCHOOL DISTRICT RJ-1
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016
(continued)

	<u>General</u>	<u>Capital Reserve</u>	<u>NonMajor Funds</u>	<u>Total Governmental Funds</u>
Revenues over (under) Expenditures	236,986	115,986	(164,788)	188,183
Other Financing Uses				
Operating Transfers In (Out)	<u>(485,429)</u>	<u>322,229</u>	<u>163,200</u>	<u>0</u>
Revenues over (under) Expenditures & Other Financing Uses	(248,444)	438,215	(1,588)	188,183
Fund Balance - Beginning	<u>1,553,686</u>	<u>194,178</u>	<u>9,713</u>	<u>1,757,576</u>
Fund Balance - Ending	<u>1,305,242</u>	<u>632,393</u>	<u>8,124</u>	<u>1,945,759</u>

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities

Net change in fund balances - total governmental funds	188,183
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Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period.

Capital outlays	53,661	
Depreciation expense	<u>(269,668)</u>	(216,007)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Pension expenses		(388,932)
------------------	--	-----------

Gain (loss) on disposal of assets is not recognized in governmental funds, but the sale of the assets is recorded as income.

Cash received on sale of asset	(1,750)	
Recognized gain (loss)	<u>1,750</u>	<u>0</u>

Change in net position of government activities	<u>(416,755)</u>
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CALHAN SCHOOL DISTRICT RJ-1
Student Activity Agency Fund
Statement of Fiduciary Net Position
June 30, 2016

	Student Activity Fund
ASSETS	
Cash in bank	80,978
LIABILITIES	
Held in trust for activities	<u>80,978</u>
NET POSITION	<u>0</u>

Notes To The Financial Statements

CALHAN SCHOOL DISTRICT RJ-1
Calhan, Colorado
Notes to the Financial Statements
June 30, 2016

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The District is a political subdivision of the State of Colorado which is governed by an elected board of 5 members. A summary of the Calhan School District RJ-1's significant accounting policies applied in the preparation of these financial statements follows.

A. Reporting Entity

The Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the school as a reporting entity, management has addressed all potential component units which may or may not fall within the District's financial accountability. The criteria used to evaluate component units for possible inclusion as part of the District's reporting entity are financial accountability and the nature and significance of the relationship. The District is considered to be a primary government because it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments.

This report includes all funds of Calhan School District RJ-1.

B. Basis of Presentation

Government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the school district. As a general rule, the effect of interfund activity has been eliminated from these statements.

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

Fund financial statements are also provided in the report for all of the governmental funds and the fiduciary funds of the district. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The District reports the following major governmental funds:

The general fund is the district's primary operating fund. It accounts for all financial resources except those required to be in another fund.

The capital projects fund accumulates funds to pay for capital projects.

Additionally the District reports the Student Activity Agency Fund which accounts for cash held by the District for related organizations. It is custodial in nature and does not involve measurement of results of operations.

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C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible with the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Revenues from federal, state, and other grants designated for payment of specific school district expenditures are recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

D. Budgets and Budgetary Accounting

All funds must have budgets to be allowed expenditures. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at year end.

Budget Calendar -

Submission of a proposed budget to the Board of Education is due by May 31. On June 10 or within ten days after submission of the proposed budget, a notice shall be published stating the proposed budget is on file and available for inspection.

The last date for final adoption of the budget and appropriation resolution is June 30.

January 31 is last date to change adopted budget.

By December 15, the Board of Education certifies to County Commissioners the mill levy against the assessed valuation for the general and bond redemption funds.

The legal level of budgetary control is at the individual fund level.

E. Encumbrances

Encumbrance accounting where purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the District.

CALHAN SCHOOL DISTRICT RJ-1
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(continued)

F. Assets, Liabilities and Fund Balances/Net Position

1. Deposits

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

State statutes authorize the District to deposit funds in institutions who are members of the Federal Deposit Insurance Corporation to the extent that the deposit is insured or is secured by pledge of eligible collateral as required by CRS 11-10.5-107.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds."

Accounts receivable and property taxes receivables are shown at gross. Uncollectibles have not been material.

3. Inventories

The purchase method is used to account for inventories in the governmental funds. Under this method, inventories are recorded as expenditures when purchased.

A physical inventory was taken as of June 30, 2016 for the Food Services special revenue fund. The inventory consisted of government donated commodities which were valued at estimated fair market value, and purchased commodities and supplies were both valued at cost using the first-in, first-out (FIFO) method.

4. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the school district as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation.

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

Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Site improvements	7-30
Buildings	10-50
Equipment	5-25
Vehicles	7-10

The District does not have any infrastructure assets.

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5. Compensated Absences

All employees are allowed from 9 to 12 days per year. Upon retirement in accordance with PERA, employees may be paid up to 30 days at the current substitute pay. No liability deemed necessary.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds issuance costs are reported as deferred charges and amortized over the term of the debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. 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. Actual results could differ from those estimates.

8. Fund Balances and Net Position

In the government-wide, net position are classified in the following categories;

Invested in Capital Assets – this category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding debt balances that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Reserved Net position – indicates that portion of net position which has been legally segregated for specific purposes or is not available for appropriation

Unreserved Net position – represents the amount which is not reserved for any purpose and is available for appropriation and expenditure in future periods.

When restricted and unrestricted funds are available, restricted are deemed first spent.

In the fund financial statements, fund balances of governmental funds are classified in the following categories;

Nonspendable – amounts that cannot be spent because they are either in non spendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of a permanent fund which is required to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale.

Restricted – when constraints placed on the use of resources either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's Board of Directors. These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

Assigned – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself, or the Superintendent who has been delegated the authority to assign amounts to be used for specific purposes.

Unassigned – the residual for the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount.

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(continued)

When committed, assigned, or unassigned funds are available, committed is first spent, then assigned.

At June 30, 2016 the amounts restricted was \$108,454 for the TABOR Reserve. Amount committed was \$632,393 in the Capital Projects Fund.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

The voters of the District passed a ballot question in November of 1996 which allows them to retain the excess revenue received for the 1996-1997 year and future years.

- B. The District is in compliance with Financial Policies and Procedures Handbook prepared by the Colorado Department of Education.

(3) DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

- A. Deposits and Investments - displayed on the balance sheets as "Cash in Bank" and "Certificates of Deposit".

The Colorado Public Deposit Protection Act (PDPA) requires that all political subdivisions of the State deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The Colorado Division of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial Credit Risk - the risk that, in the event of bank failure, the District's deposits may not be returned to it. The District does not have a written deposit policy for custodial credit risk.

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At June 30, 2016, the District's cash deposits had a bank balance and carrying balance as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Insured	\$500,000	\$500,000
Deposits uncollateralized in institution pools	<u>1,759,758</u>	<u>1,673,111</u>
Total Deposits	\$2,259,758	\$2,173,111
Shown as Certificates of Deposit		(343,865)
Cash in Fiduciary Fund		<u>(80,978)</u>
Cash		1,748,268

As presented above for the District, deposits with a bank balance of \$1,759,758 and a carrying balance of \$1,673,111 as of June 30, 2016, are uninsured, are exposed to custodial credit risk, and are collateralized with securities held by the pledging financial institution.

- B. Accrued Property Taxes Receivable - the amount budgeted for the current year, not yet collected.

Property Tax Calendar - taxes are levied by December 15, tax bills are mailed January 1 of the following year, creating an enforceable lien on the property. If paid by installments of one-half each, the first is due February 28, the second June 15. If paid in one payment, the due date is April 30. Taxes are delinquent if not paid by those dates. Notice of delinquencies are mailed in September, and tax sales scheduled for November.

- C. Changes in General Fixed Assets - a summary of changes in the District general fixed assets follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Sites	34,623	-0-	-0-	34,623
Site Improvements	442,870	-0-	-0-	442,870
Buildings	8,207,911	53,661	-0-	8,261,572
Equipment	595,892	-0-	-0-	595,892
Transportation	<u>1,034,501</u>	<u>-0--</u>	<u>19,500</u>	<u>1,015,001</u>
Total	10,315,797	53,661	19,500	10,349,958
Less Accumulated Depreciation				
Site	-0-	-0-	-0-	-0-
Site Improvements	189,832	22,248	-0-	212,080
Buildings	1,897,205	163,037	-0-	2,060,242
Equipment	409,572	30,627	-0-	440,199
Transportation	<u>776,182</u>	<u>53,756</u>	<u>19,500</u>	<u>810,438</u>
Total	<u>3,272,791</u>	<u>269,668</u>	<u>19,500</u>	<u>3,522,959</u>
Government Activities				
Capital Assets, Net	<u>7,043,006</u>	<u>(216,007)</u>	<u>-0-</u>	<u>6,826,999</u>

Depreciation expense for the governmental activities was allocated \$53,756 to Transportation, \$215,186 to Instruction, and \$726 to Food Service.

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(4) OTHER INFORMATION

- A. Risk Management - The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined Colorado School District Self Insurance Pool (CSDSIP), a public entity risk pool currently operating as a common risk management and insurance program for members. The District pays an annual premium to CSDSIP for its liability, property and casualty, vehicle, mechanical and crime insurance coverage. The intergovernmental agreement of formation of CSDSIP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

The District carries commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

- B. Accrued Salaries and Benefits Payable - teachers and certain other instructional employees are budgeted and paid over a twelve month period from September 1 to August 31 but are earned over a school year of approximately a nine month period. The salaries earned but not paid at June 30 are shown as an accrued liability.
- C. The General Fund transferred \$20,000 to the Food Services Fund, \$322,229 to Capital Projects Fund, and \$143,200 to Student Activity Special Revenue Fund for operating purposes.
- D. Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the School Division Trust Fund (SCHDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

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- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the SCHDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions. Eligible employees and the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended December	For the Year Ended December
	<u>31, 2015</u>	<u>31, 2016</u>
Employer Contribution Rate ¹	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF ¹	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	4.20%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	4.00%	4.50%
Total Employer Contribution Rate to the SCHDTF ¹	17.33%	18.13%

¹ Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

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Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from District were \$429,212 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the District reported a liability of \$8,549,392 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The District proportion of the net pension liability was based on District contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, the District proportion was 0.0558992250 percent, which was an increase of 0.0009131400 percent from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$818,144. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	112,896	356
Changes of assumptions or other inputs	-0-	120,818
Net difference between projected and actual earnings on pension plan investments	726,938	-0-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	847	87,703
Contributions subsequent to the measurement date	<u>219,527</u>	<u>N/A</u>
Total	1,060,208	208,877

There is \$219,527 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year ended June 30,	
2017	(32,723)
2018	(32,872)
2019	(21,261)
2020	-0-
2021	-0-
Thereafter	-0-

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Actuarial assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.10 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

Changes to assumptions or other inputs since the December 31, 2013 actuarial valuation are as follows:

- The following programming changes were made:
 - Valuation of the full survivor benefit without any reduction for possible remarriage.
 - Reflection of the employer match on separation benefits for all eligible years.
 - Reflection of one year of service eligibility for survivor annuity benefits.
 - Refinement of the 18 month annual increase timing.
 - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- The following methodology changes were made:
 - Recognition of merit salary increases in the first projection year.
 - Elimination of the assumption that 35% of future disabled members elect to receive a refund.
 - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
 - Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

The SCHDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of November 15, 2013 adoption of the long-term expected rate of return, presented to the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employee contributions were assumed to be made at the rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of the AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

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Based on the above actuarial cost method and assumptions, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	11,082,510	8,549,392	6,442,310

Pension plan fiduciary net position. Detailed information about the SCHDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

E. Other Post-Employment Benefits

Health Care Trust Fund

Plan Description – The Calhan School District contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Calhan School District is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Calhan School District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2016, 2015 and 2014, the Calhan School District contributions to the HCTF were \$24,692, \$25,864 and \$25,700, respectively, equal to their required contributions for each year.

F. Joint Venture - The District participates in the Pikes Peak Board of Cooperative Educational Services which is not reflected in these financial statements. One member of the board is from the District. The Board of BOCES has final authority for all budgeting and financing of the joint venture.

Each member pays a membership fee and then contributes additional monies in the relationship their students using the program to the total number of students and member schools using the program in the BOCES.

At June 30, 2015, total assets were \$14,264,296, deferred outflows was \$798,403, total liabilities were \$17,011,580, deferred inflows was \$19,684, total net position was \$(1,968,565), revenues were \$11,417,428, and expenses were \$11,914,954.

Complete financial statements can be obtained from their office at 2883 S Circle Drive, Colorado Springs, CO, 80906.



REQUIRED SUPPLEMENTARY INFORMATION

CALHAN SCHOOL DISTRICT RJ-1
 Budgetary Comparison Schedule
 Major Governmental Funds
 For the Year Ended June 30, 2016

	<u>General Fund</u>			Variance With Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
REVENUES	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Local sources				
Taxes	673,771	673,771	743,743	69,972
Other	78,441	78,441	120,344	41,903
State Sources				
Equalization	3,106,462	3,106,462	3,075,061	(31,401)
Other	232,100	232,100	268,446	36,346
Federal Sources	<u>163,978</u>	<u>163,978</u>	<u>129,792</u>	<u>(34,186)</u>
Total Revenues	4,254,752	4,254,752	4,337,386	82,634
EXPENDITURES				
Current				
Instruction	2,299,605	2,299,605	2,319,754	(20,149)
Supporting Services				
Pupils	150,386	150,386	158,627	(8,241)
Instructional Staff - Library	177,412	177,412	173,668	3,744
General Administration	173,966	173,966	167,802	6,164
School Administration	352,724	352,724	347,561	5,163
Business Services	141,862	141,862	138,603	3,259
Operations & Maintenance	340,805	340,805	362,768	(21,963)
Pupil Transportation	347,851	347,851	325,462	22,389
District Wide Costs	64,641	64,641	64,050	591
Appropriated reserves	1,253,686	1,253,686	0	1,253,686
Capital Outlay	<u>63,500</u>	<u>63,500</u>	<u>42,106</u>	<u>21,394</u>
Total Expenditures	<u>5,366,438</u>	<u>5,366,438</u>	<u>4,100,400</u>	<u>1,266,038</u>
Excess of revenues over (under) expenditures (under) Expenditures	(1,111,686)	(1,111,686)	236,986	1,348,672
Other Financing Sources (Uses)				
Operating Transfers In (Out)	<u>(442,000)</u>	<u>(442,000)</u>	<u>(485,429)</u>	<u>(43,429)</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(1,553,686)	(1,553,686)	(248,444)	1,305,242
Fund Balance - Beginning	<u>1,553,686</u>	<u>1,553,686</u>	<u>1,553,686</u>	<u>(0)</u>
Fund Balance - Ending	<u>0</u>	<u>0</u>	<u>1,305,242</u>	<u>1,305,242</u>

CALHAN SCHOOL DISTRICT RJ-1
 Schedule of District's Proportionate Share of the Net Pension Liability
 Last 10 Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion (percentage) of the collective net pension liability	0.055899%	0.568124%	0.056798%
Proportionate share of the collective net pension liability	8,549,392	7,699,984	7,054,581
Covered payroll	2,439,092	2,380,029	2,289,705
Proportionate share of the net pension liability as a percentage of its covered employee payroll	350.52%	323.52%	308.10%
Plan fiduciary net position as a percentage of total pension liability	59.20%	62.80%	64.06%

The amounts presented for each year were determined as of December 31.

CALHAN SCHOOL DISTRICT RJ-1
 Schedule of Contributions and Related Ratios
 Last 10 Fiscal Years

As of June 30,	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Statutorily required contributions	429,212	414,071	368,042	349,377	357,225	330,161	325,403	310,607	281,497
Contributions in relation to the statutorily required contribution	<u>429,212</u>	<u>414,071</u>	<u>368,042</u>	<u>349,377</u>	<u>357,225</u>	<u>330,161</u>	<u>325,403</u>	<u>310,607</u>	<u>281,497</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered-employee payroll	2,420,811	2,452,885	2,302,870	2,317,762	2,519,606	2,487,116	2,630,332	2,706,601	2,660,943
Contributions as a percentage of covered-employee payroll	17.73%	16.88%	15.98%	15.07%	14.18%	13.27%	12.37%	11.48%	10.58%

Note: records prior to 2008 are not readily available.



OTHER INFORMATION

COMBINING STATEMENTS

CALHAN SCHOOL DISTRICT RJ-1
Combining Balance Sheet
NonMajor Governmental Funds
June 30, 2016

ASSETS	<u>Food Service</u>	<u>Student Activity</u>	<u>Total</u>
Cash & cash equivalents	7,336	5,678	13,014
Inventory	<u>6,747</u>	<u>0</u>	<u>6,747</u>
Total Assets	<u>14,083</u>	<u>5,678</u>	<u>19,761</u>
LIABILITIES AND FUND BALANCE			
Current Liabilities			
Accrued salaries & benefits	4,075	4,901	8,976
Payroll deductions	<u>0</u>	<u>5</u>	<u>5</u>
Total Liabilities	4,075	4,906	8,981
 Unearned revenue	 2,655	 0	 2,655
FUND BALANCE			
Nonspendable	6,747	0	6,747
Assigned	<u>606</u>	<u>772</u>	<u>1,378</u>
Total Fund Balance	<u>7,353</u>	<u>772</u>	<u>8,124</u>
 Total Liabilities and Fund Balance	 <u>14,083</u>	 <u>5,678</u>	 <u>19,761</u>

CALHAN SCHOOL DISTRICT RJ-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Governmental Funds
June 30, 2016

REVENUES	<u>Food Service</u>	<u>Student Activity</u>	<u>Total</u>
Local	45,291	19,676	64,966
State	3,276	0	3,276
Federal	<u>115,852</u>	<u>0</u>	<u>115,852</u>
Total Revenues	164,418	19,676	184,094
EXPENDITURES			
Salaries & Benefits	93,312	103,952	197,264
Purchased Services	2,517	15,568	18,085
Supplies	89,865	6,237	96,102
Dues & Fees	0	19,600	19,600
Other	258	9,903	10,161
Capital Outlay	<u>0</u>	<u>7,671</u>	<u>7,671</u>
Total Expenditures	<u>185,952</u>	<u>162,930</u>	<u>348,882</u>
Revenues over (under) Expenditures	(21,534)	(143,254)	(164,788)
OTHER FINANCING SOURCES (USES)			
Operating Transfers In (Out)	<u>20,000</u>	<u>143,200</u>	<u>163,200</u>
Excess of Revenues and Other Sources over (under) Expenditures	(1,534)	(54)	(1,588)
Fund Balance - Beginning	<u>8,887</u>	<u>826</u>	<u>9,713</u>
Fund Balance - Ending	<u>7,353</u>	<u>772</u>	<u>8,124</u>

See auditor's report and notes to the financial statements.

INDIVIDUAL FUND FINANCIAL STATEMENTS

GENERAL FUND

The General Fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in another fund. It is the most significant fund in relation to the district's overall operation.

CALHAN SCHOOL DISTRICT RJ-1
General Fund
Comparative Balance Sheet

ASSETS	<u>6/30/16</u>	<u>6/30/15</u>	<u>Change</u>
Cash			
In Bank	1,124,919	1,300,168	(175,250)
With County Treasurer	7,456	5,842	1,614
Certificates of Deposit	<u>343,865</u>	<u>341,506</u>	<u>2,359</u>
Total Cash	1,476,240	1,647,516	(171,277)
Accounts/Grants Receivable	121,667	112,155	9,512
Accrued Property Tax Receivable	<u>44,464</u>	<u>42,983</u>	<u>1,481</u>
 Total Assets	 <u>1,642,371</u>	 <u>1,802,654</u>	 <u>(160,283)</u>
 LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	110,000	0	110,000
Accrued Salaries and Benefits Payable	227,331	247,969	(20,638)
Payroll Deductions	(202)	0	(202)
Dut to Other Funds	<u>0</u>	<u>1,000</u>	<u>(1,000)</u>
Total Liabilities	337,129	248,969	88,160
 Fund Balance			
Restricted for TABOR Reserve	108,454	115,652	(7,198)
Restricted for Preschool	0	16,527	(16,527)
Unassigned	<u>1,196,788</u>	<u>1,421,507</u>	<u>(224,719)</u>
Total Fund Balance	<u>1,305,242</u>	<u>1,553,686</u>	<u>(248,444)</u>
 Total Liabilities and Fund Balance	 <u>1,642,371</u>	 <u>1,802,654</u>	 <u>(160,283)</u>

CALHAN SCHOOL DISTRICT RJ-1
 General Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	Actual Prior <u>Year</u>
REVENUES				
From Local Sources				
Current Property Taxes	604,818	668,244	63,426	584,579
Specific Ownership Taxes	66,373	73,376	7,003	65,800
Delinquent Taxes & Interest	2,580	2,123	(457)	2,921
Investment Interest	5,000	6,471	1,471	6,222
Other	<u>73,441</u>	<u>113,873</u>	<u>40,432</u>	<u>151,673</u>
Total Local Sources	752,212	864,087	111,875	811,195
From State Sources				
Equalization	3,106,462	3,075,061	(31,401)	3,150,413
Vocational Education	17,500	17,473	(27)	19,109
Transportation	86,733	120,322	33,589	86,566
Other Grants	<u>127,867</u>	<u>130,651</u>	<u>2,784</u>	<u>99,779</u>
Total State Sources	3,338,562	3,343,507	4,945	3,355,867
From Federal Sources				
Grants	<u>163,978</u>	<u>129,792</u>	<u>(34,186)</u>	<u>195,216</u>
Total Revenues	4,254,752	4,337,386	82,634	4,362,278
EXPENDITURES	<u>5,366,438</u>	<u>4,100,400</u>	<u>1,266,038</u>	<u>4,097,199</u>
Excess of Revenues over (under) Expenditures	(1,111,686)	236,986	1,348,672	265,079
Other Financing Sources (Uses)				
Operating Transfers In (Out)	<u>(442,000)</u>	<u>(485,429)</u>	<u>(43,429)</u>	<u>(353,000)</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(1,553,686)	(248,444)	1,305,242	(87,921)
Fund Balance - Beginning	<u>1,553,686</u>	<u>1,553,686</u>	<u>(0)</u>	<u>1,641,607</u>
Fund Balance - Ending	<u>0</u>	<u>1,305,242</u>	<u>1,305,242</u>	<u>1,553,686</u>

See auditor's report and notes to the financial statements.

CALHAN SCHOOL DISTRICT RJ-1
 General Fund
 Statement of Expenditures - Budget and Actual
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
INSTRUCTION				
Current				
Salaries	1,394,779	1,402,594	(7,815)	1,402,313
Employee Benefits	461,382	437,540	23,842	421,700
Purchased Services	225,957	311,719	(85,762)	198,439
Supplies and Materials	214,762	167,864	46,898	149,882
Other	2,725	37	2,688	1,616
Capital Outlay	<u>43,500</u>	<u>34,639</u>	<u>8,861</u>	<u>64,107</u>
Total Instruction	2,343,105	2,354,393	(11,288)	2,238,058
 SUPPORTING SERVICES				
Pupils				
Current				
Salaries	108,565	115,962	(7,397)	137,435
Employee Benefits	38,871	40,551	(1,680)	44,038
Purchased Services	1,000	377	623	2,354
Supplies and Materials	1,800	851	949	2,259
Other	<u>150</u>	<u>886</u>	<u>(736)</u>	<u>75</u>
Total Pupils	150,386	158,627	(8,241)	186,161
Instructional Staff Services				
Current				
Salaries	58,302	57,510	792	70,136
Employee Benefits	19,874	20,608	(734)	22,701
Purchased Services	84,536	85,558	(1,022)	91,261
Supplies and Materials	14,000	9,992	4,008	12,836
Other	700	0	700	757
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instructional Staff	177,412	173,668	3,744	197,691
General Administration				
Current				
Salaries	102,360	102,330	30	95,995
Employee Benefits	24,906	37,010	(12,104)	35,354
Purchased Services	37,500	19,528	17,972	36,217
Supplies and Materials	1,500	505	995	916
Other	7,700	8,429	(729)	12,875
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total General Administration	173,966	167,802	6,164	181,358

See auditor's report and notes to the financial statements.

CALHAN SCHOOL DISTRICT RJ-1
 General Fund
 Statement of Expenditures - Budget and Actual
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015
 (continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	Actual Prior Year
School Administration				
Current				
Salaries	265,260	262,378	2,882	262,728
Employee Benefits	79,414	77,826	1,588	73,158
Purchased Services	3,100	3,138	(38)	2,964
Supplies and Materials	3,500	2,915	585	3,038
Other	1,450	1,305	145	1,281
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total School Administration	352,724	347,561	5,163	343,168
Accounting				
Current				
Salaries	87,546	74,569	12,977	77,720
Employee Benefits	23,929	23,971	(42)	23,701
Purchased Services	29,587	39,107	(9,520)	37,138
Supplies and Materials	800	955	(155)	1,907
Other	0	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Business Services	141,862	138,603	3,259	140,466
Operations and Maintenance				
Current				
Salaries	153,553	153,606	(53)	165,222
Employee Benefits	44,436	48,549	(4,113)	49,798
Purchased Services	50,316	52,762	(2,446)	62,983
Supplies and Materials	92,500	107,851	(15,351)	102,940
Other	0	0	0	0
Capital Outlay	<u>20,000</u>	<u>7,467</u>	<u>12,533</u>	<u>4,467</u>
Total Operations & Maintenance	360,805	370,235	(9,430)	385,410
Pupil Transportation				
Current				
Salaries	170,257	176,634	(6,377)	172,999
Employee Benefits	64,152	61,646	2,506	60,160
Purchased Services	31,742	30,894	848	30,126
Supplies and Materials	81,700	56,289	25,411	66,831
Other	0	0	0	(3,272)
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Pupil Transportation	<u>347,851</u>	<u>325,462</u>	<u>22,389</u>	<u>326,844</u>
TOTAL SUPPORTING SERVICES	1,705,006	1,681,957	23,049	1,761,098

See auditor's report and notes to the financial statements.

CALHAN SCHOOL DISTRICT RJ-1
 General Fund
 Statement of Expenditures - Budget and Actual
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015
 (continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	Actual Prior <u>Year</u>
District Wide Costs				
Current				
Purchased Services	0	0	0	98,043
Supplies and Materials	<u>64,641</u>	<u>64,050</u>	<u>591</u>	<u>0</u>
Total District Wide Costs	64,641	64,050	591	98,043
Appropriated Reserves	<u>1,253,686</u>	<u>0</u>	<u>1,253,686</u>	<u>0</u>
TOTAL EXPENDITURES	<u>5,366,438</u>	<u>4,100,400</u>	<u>1,266,038</u>	<u>4,097,199</u>

SPECIAL REVENUES FUNDS

Food Services Fund - to account for revenue and expenditures associated with providing hot lunches to students, teachers, and visitors.

Student Activity Fund - to account for the revenues reported and the expenditures of each of the activities reported.

CALHAN SCHOOL DISTRICT RJ-1
Food Services Special Revenue Fund
Comparative Balance Sheet

ASSETS	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>Change</u>
Current Assets			
Cash in Bank	7,336	5,989	1,347
Inventory	6,747	8,861	(2,114)
Due from General Fund	<u>0</u>	<u>1,000</u>	<u>(1,000)</u>
Total Current Assets	<u>14,083</u>	<u>15,850</u>	<u>(1,767)</u>
LIABILITY AND FUND BALANCE			
Current Liabilities			
Accrued Salaries & Benefits	4,075	3,667	408
Unearned Revenue	2,655	3,296	(641)
Fund Balance			
Nonspendable	6,747	8,861	(2,114)
Assigned	<u>606</u>	<u>26</u>	<u>580</u>
Total Fund Balance	<u>7,353</u>	<u>8,887</u>	<u>(1,534)</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>14,083</u>	<u>15,850</u>	<u>(1,767)</u>

CALHAN SCHOOL DISTRICT RJ-1
 Food Services Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

REVENUES	Budget		Variance	
	<u>(Non-GAAP)</u>	<u>Actual</u>	<u>Favorable</u>	<u>Prior</u>
			<u>(Unfavorable)</u>	<u>Year</u>
Charges for Service				
Meals	52,200	45,221	(6,979)	43,251
Interest Income	50	70	20	79
State Grants	2,450	3,276	826	2,782
Federal Aid	111,300	104,976	(6,324)	105,745
Commodities Donated	<u>500</u>	<u>10,876</u>	<u>10,376</u>	<u>11,634</u>
Total Revenue	166,500	164,418	(2,082)	163,491
EXPENDITURES				
Salaries	69,050	66,988	2,062	65,941
Benefits	31,000	26,324	4,676	26,005
Food & Milk	70,500	75,897	(5,397)	73,604
Commodities	0	10,876	(10,876)	9,028
Purchased Services	3,250	2,517	733	2,535
Supplies	3,200	3,092	108	3,097
Dues & fees	0	258	(258)	0
Appropriated Reserve	<u>8,387</u>	<u>0</u>	<u>8,387</u>	<u>0</u>
Total Expenditures	<u>185,387</u>	<u>185,952</u>	<u>(565)</u>	<u>180,210</u>
Excess of Revenues over (under) Expenditures	(18,887)	(21,534)	(2,647)	(16,719)
OTHER FINANCING SOURCES				
Operating Transfers In	<u>10,000</u>	<u>20,000</u>	<u>10,000</u>	<u>21,000</u>
Excess of Revenues and Other Sources over (under) Expenditures	(8,887)	(1,534)	7,353	4,281
Fund Balance - Beginning	<u>8,887</u>	<u>8,887</u>	<u>(0)</u>	<u>4,606</u>
Fund Balance - Ending	<u>0</u>	<u>7,353</u>	<u>7,353</u>	<u>8,887</u>

See auditor's letter and notes to the financial statements.

CALHAN SCHOOL DISTRICT RJ-1
Student Activity Special Revenue Fund
Comparative Balance Sheet

	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>Change</u>
ASSETS			
Current Assets			
Cash in Bank	<u>5,678</u>	<u>5,022</u>	<u>655</u>
 LIABILITIES AND FUND BALANCE			
Current Liabilities			
Accrued Salaries & Benefits	4,901	4,197	704
Payroll Deductions	<u>5</u>	<u>0</u>	<u>5</u>
Total Liabilities	4,906	4,197	709
 FUND BALANCE			
Assigned	<u>772</u>	<u>826</u>	<u>(54)</u>
 Total Liabilities and Fund Balance	 <u>5,678</u>	 <u>5,022</u>	 <u>650</u>

See auditor's letter and notes to the financial statements.

CALHAN SCHOOL DISTRICT RJ-1
Student Activity Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016

REVENUES	Budget (Non-GAAP)	Actual	Variance Favorable (Unfavorable)	Prior Year
Local Sources				
Gates Fees	19,500	18,573	(927)	19,304
Other	<u>500</u>	<u>1,103</u>	<u>603</u>	981
Total Revenues	20,000	19,676	(324)	20,285
EXPENDITURES				
Current				
Salaries	66,178	84,556	(18,378)	84,485
Benefits	13,288	19,395	(6,107)	22,529
Officials	15,000	15,568	(568)	15,569
Other Purchased Services	0	0	0	10,933
Supplies	9,080	6,237	2,843	7,515
Dues & Fees	15,486	19,600	(4,114)	4,400
Other	11,508	9,903	1,605	0
Equipment	6,738	7,671	(933)	8,066
Contingency Reserve	<u>15,548</u>	<u>0</u>	<u>15,548</u>	<u>0</u>
Total Expenditures	<u>152,826</u>	<u>162,930</u>	<u>(10,104)</u>	153,497
Revenues over (under) Expenditures	(132,826)	(143,254)	(10,428)	(133,212)
OTHER FINANCING SOURCES				
Operating Transfers In	<u>132,000</u>	<u>143,200</u>	<u>11,200</u>	<u>132,000</u>
Revenues and Other Sources over (under) Expenditures	(826)	(54)	772	(1,212)
Fund Balance - Beginning	<u>826</u>	<u>826</u>	<u>1,652</u>	<u>0</u>
Fund Balance - Ending	<u>0</u>	<u>772</u>	<u>2,424</u>	<u>826</u>

See auditor's letter and notes to the financial statements.



CAPITAL PROJECTS FUND

Capital Projects Fund - to account for acquisition of land or improvements and construction of structures thereon, or acquisition of land with existing structures thereon and equipment and furnishing therein; construction of additions to existing structures; procurement of equipment for new buildings and additions to existing buildings and installation thereof; alterations and improvements to existing structures where the estimated cost of such projects for labor and materials is in excess of two thousand five hundred dollars; acquisition of school buses or other equipment, the estimated unit cost of which, including any necessary installations, is in excess of two thousand five hundred dollars; installment purchase agreements or lease agreements with an option to purchase for a period not to exceed twenty years under which a school district becomes entitled to the use of real property and related equipment for a school site, building, or structure. Also allowed are lease agreements with option to purchase for a period of one year or less, including lease agreements consisting of a series of one-year terms renewable at the option of the district. Financing is provided by a transfer from the General Fund and State grants.

CALHAN SCHOOL DISTRICT RJ-1
Capital Reserve Capital Projects Fund
Comparative Balance Sheet

	<u>6/30/16</u>	<u>6/30/15</u>	<u>Change</u>
ASSETS			
Cash in Bank	<u>602,879</u>	<u>194,178</u>	<u>408,702</u>
Grants Receivable	<u>29,514</u>	<u>0</u>	<u>29,514</u>
Total Assets	<u>632,393</u>	<u>194,178</u>	<u>438,215</u>
COMMITTED FUND BALANCE	<u>632,393</u>	<u>194,178</u>	<u>438,215</u>

See auditor's report and notes to the financial statements.

CALHAN SCHOOL DISTRICT RJ-1
 Capital Reserve Capital Projects Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

REVENUES	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	Actual Prior <u>Year</u>
Local Sources				
Investment Earnings	400	1,593	1,193	666
Sale of Assets	0	1,750	1,750	2,961
State Grants	<u>113,600</u>	<u>166,304</u>	<u>52,704</u>	<u>0</u>
Total Revenues	114,000	169,647	55,647	3,627
EXPENDITURES				
Current				
Purchased Services	0	0	0	11,094
Capital Outlay				
Vehicles	0	0	0	118,670
Buildings	<u>608,000</u>	<u>53,661</u>	<u>554,339</u>	<u>0</u>
Total Expenditures	<u>608,000</u>	<u>53,661</u>	<u>554,339</u>	<u>129,764</u>
Excess of Revenues over (under) Expenditures	(494,000)	115,986	609,986	(126,137)
Other Financing Sources (Uses)				
Operating Transfers Out	<u>300,000</u>	<u>322,229</u>	<u>22,229</u>	<u>206,880</u>
Excess of Revenues over (under) Expenditures and Transfers Out	(194,000)	438,215	632,215	80,743
Fund Balance - Beginning	<u>194,000</u>	<u>194,178</u>	<u>178</u>	<u>113,435</u>
Fund Balance - Ending	<u>0</u>	<u>632,393</u>	<u>632,393</u>	<u>194,178</u>

See auditor's report and notes to the financial statements.



AGENCY FUND

Student Activity Fund - to act as custodian for the classes and activities of the district.

CALHAN SCHOOL DISTRICT RJ-1
 Student Activity Agency Fund
 Statement of Changes in Assets and Liabilities
 For the Year Ended June 30, 2016

	Balance			Balance
	<u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30</u>
Athletic Clearing	(0)	241	0	241
BB Girls Summer Camp	49	2,636	1,824	862
BB Summer Camp	983	6,982	6,181	1,784
FB Summer Camp	722	1,656	2,172	206
Wrestling Summer Camp	652	2,817	2,852	617
Summer VB Camp	4,913	12,350	8,527	8,735
Baseball Club	601	1,637	1,986	251
H S Cheerleaders	2,465	1,356	3,211	610
HS Art	914	0	0	914
Dawg Pound	(544)	0	0	(544)
Track Club	1,165	0	364	801
Booster Club Student Aid	0	1,440	0	1,440
MS Basketball	0	2,883	2,676	207
Weight Room	0	1,500	0	1,500
Class of 2014	1,445	0	1,042	403
Class of 2015	1	0	0	1
Class of 2016	1,505	1,469	2,237	738
Class of 2017	180	10,207	9,873	514
Class of 2018	0	100	0	100
Class of 2019	0	0	92	(92)
BOSS	1,386	0	797	589
Copier	5,514	0	939	4,575
FBLA	499	0	0	499
Leo Club	888	5,995	5,789	1,094
Stuco	2,771	567	771	2,567
Band	3,109	395	364	3,140
Drama	1,736	5,358	4,224	2,869
Speech	(377)	0	0	(377)
Computer Tech	427	0	0	427
Media	4,488	1,456	1,417	4,528
Music	(331)	240	250	(341)

CALHAN SCHOOL DISTRICT RJ-1
 Student Activity Agency Fund
 Statement of Changes in Assets and Liabilities
 For the Year Ended June 30, 2016
 (continued)

	Balance <u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30</u>
Yearbook	(1,484)	4,960	5,036	(1,561)
5th Grade	18	(18)	0	0
K-5 Principal	918	1,085	1,571	433
Title I	118	0	50	68
Elementary Stuco	1,244	40	0	1,284
Destination Imagination	923	2,319	3,064	178
Elementary Matchwits	60	0	90	(30)
Clearing K-12	1,398	844	1,576	666
Eldon Glaser Scholarship	4,675	0	1,500	3,175
General Activity Fund	18,489	26	0	18,516
Checking Interest	358	134	0	492
CD 11819	398	0	0	398
Drivers Education	6,607	0	0	6,607
H S Principal	1,860	1,376	2,260	976
M S Stuco	560	(39)	435	86
M S Exploratory	177	0	0	177
Field Trip - Costa Rica	0	231	231	0
Tutor	0	280	280	0
Back Pack Program	235	0	0	235
Volunteers	2,225	1,803	871	3,157
Playground account	3,367	0	0	3,367
Elementary SPED	659	0	0	659
Field Trips/Transportation	585	4,301	3,878	1,009
Band/Music California Trip	<u>2,230</u>	<u>0</u>	<u>0</u>	<u>2,230</u>
Total	80,779	78,629	78,430	80,978
 Budget	 <u>80,779</u>	 <u>82,900</u>	 <u>163,679</u>	 <u>0</u>
Variance - Favorable (Unfavorable)	<u>0</u>	<u>(4,271)</u>	<u>85,249</u>	<u>80,978</u>

See auditor's report and notes to the financial statements.

AUDITOR'S INTEGRITY REPORT



Colorado Department of Education
Auditors Integrity Report
 District: 0970 - CALHAN RJ-1
 Fiscal Year 2015-16
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	-	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental							
10 General Fund	1,553,686		3,851,957		4,100,400		1,305,242
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		0		0		0
Sub- Total	1,553,686		3,851,957		4,100,400		1,305,242
11 Charter School Fund	0		0		0		0
20,26-29 Special Revenue Fund	0		0		0		0
21 Food Services Spec. Revenue Fund	8,887		184,418		185,952		7,353
22 Govt. Designated-Purpose Grants Fund	0		0		0		0
23 Pupil Activity Special Revenue Fund	826		162,876		162,930		772
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	0		0		0		0
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	0		0		0		0
42 Special Building Fund	0		0		0		0
43 Capital Reserve-Capital Projects Fund	194,178		491,875		53,661		632,393
Totals	1,757,576		4,691,127		4,502,943		1,945,759
Proprietary							
50 Other Enterprise Funds	0		0		0		0
64 (63) Risk-Related Activity Fund	0		0		0		0
60,65-69 Other Internal Service Funds	0		0		0		0
Totals	0		0		0		0
Fiduciary							
70 Other Trust and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	0		0		0		0
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	80,779		78,629		78,430		80,978
79 GASB 34-Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	80,779		78,629		78,430		80,978
FINAL							

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