

**CHEYENNE COUNTY
SCHOOL DISTRICT R-1**
Kit Carson, Colorado

Financial Statements
For the Year Ended June 30, 2016



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CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 TABLE OF CONTENTS
 June 30, 2016

	<u>Page</u>
Independent Auditor's Report	
Management Discussion and Analysis -----	a-g
 <u>Basic Financial Statements</u>	
Government-wide Financial Statements	
Statement of Net Position -----	1
Statement of Activities -----	2
Fund Financial Statements	
Governmental Funds	
Balance Sheet -----	3
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position -----	4
Statement of Revenues, Expenditures, and Changes in Fund Balances -----	5-6
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities --	6
Notes to the Financial Statements -----	7-18
 <u>Required Supplementary Information</u>	
Budgetary Comparison Schedule - Major Governmental Funds -----	19
Schedule of District's Proportionate Share of Net Pension Liability -----	20
Schedule of Contributions and Related Ratios - Last 10 Years -----	21
 <u>Other Information</u>	
Combining Fund Statements	
Combining Balance Sheet -----	22
Statement of Revenues, Expenditures, and Changes in Fund Balance - -----	23
Individual Fund Financial Statements	
General Fund	
Comparative Balance Sheet -----	24
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -----	25
Statement of Expenditures - Budget and Actual -----	26-27

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 TABLE OF CONTENTS
 June 30, 2016
 (Continued)

	<u>Page</u>
Special Revenue Funds	
Food Services Fund	
Comparative Balance Sheet -----	28
Statement of Revenues, Expenditures and Changes in Fund Balance	
- Budget and Actual -----	29
Student Activity Fund	
Comparative Balance Sheet -----	30
Statement of Revenues, Expenditures and Changes in Fund Balance	
- Budget and Actual -----	31-32
Capital Project Funds	
Special Building & Technology Fund	
Comparative Balance Sheet -----	33
Statement of Revenues, Expenditures and Changes in Fund Balance	
- Budget and Actual -----	34
Capital Reserve Fund	
Comparative Balance Sheet -----	35
Statement of Revenues, Expenditures and Changes in Fund Balance	
- Budget and Actual -----	36

Auditor's Integrity Report

WINFREY, COUNTY & HAYS, PC

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Cheyenne County School District R-1
Kit Carson, CO 80825

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cheyenne County School District R-1 (the "District"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Cheyenne County School District R-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-g and 19-21 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 Cheyenne County School District R-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 combining and 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 25, 2016

**Cheyenne County School District R-1
Kit Carson, Colorado
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2016**

The Management discussion and analysis of Cheyenne County School District R-1 offers its readers an analysis of the financial activities of the District for the fiscal year ended June 30, 2016. The main area of emphasis in this analysis will be on the primary government-general fund.

Cheyenne County School District R-1 reporting format is in compliance with the Government Accounting Standards Board or GASB. It is in accordance with GASB Statement NO. 34, Basic Financial Statement and Management Discussion and Analysis for State and local Governments that we offer this information today.

Financial Highlights

The net position for the fiscal year was \$721,548 which is a change of \$64,056 from the previous year. At the end of the fiscal year the District's governmental funds reported combined ending fund balances of \$2,834,259 which represents an increase of \$182,864 from the previous year.

Overview of Financial Statements

This discussion shall serve as an introduction to the District's basic financial statements. These financial statements are comprised of three basic components. 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to these statements other supplementary information is also provided for your examination.

Government-Wide Financial Statements

Government-wide financial statements provide data about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the assets and liabilities of Cheyenne County School District R-1.

All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is either receive or paid.

The two government-wide statements included in this report detail how the District's net position have changed. Net assets, which represent the difference between assets and liabilities, are one way to gauge the District's financial health.

Over time, increases or decreases in the District's net position is an indication of whether its financial health is improving or deteriorating.

**Cheyenne County School District R-1
Kit Carson, Colorado
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2016**

The government-wide statements report all governmental activities.

Governmental activities - all of the District's basic services are included within this category. Activities such as instruction, administration, operation of the buildings and grounds, and pupil transportation can all be found under this classification.

Fund Financial Statements

These statements provide specific information about the most significant funds, not the District as a whole. The maintenance of certain funds is required by state law, and if applicable must also adhere to certain bond requirements as well.

Governmental funds - most of Cheyenne County School District R-1's financial activities are reported in governmental funds, which focus on the determination of financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. 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 the District's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Financial Analysis of the District as a Whole

As noted previously in this document, net position may serve over time as a useful indicator of a school district's financial health. In the case of Cheyenne County School District R-1, assets exceeded its liabilities by approximately \$721,548.

**Cheyenne County School District R-1
Kit Carson, Colorado
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2016**

Table 1
Fiscal Year Ended June 30, 2016
Net Position

	<u>Government Activities</u>	
	<u>6/30/2016</u>	<u>6/30/2015</u>
Current and other assets	3,026,915	2,846,136
Capital assets	<u>1,006,275</u>	<u>1,006,481</u>
Total Assets	4,033,190	3,852,617
Deferred Outflows	429,436	156,420
Current liabilities	187,146	194,742
Long term liabilities	3,418,499	3,046,840
Deferred Inflows	129,922	109,964
Net Position		
Invested in capital assets	1,006,275	1,006,481
Restricted	663,844	693,016
Unrestricted	<u>(948,570)</u>	<u>(1,042,005)</u>
Total Net Position	<u>721,548</u>	<u>657,492</u>

Of the District's \$4,033,190 in assets, \$1,006,275 (25%) reflects investment in capital assets (e.g. land, building, infrastructure, machinery, and equipment). The District uses its capital assets to provide services to students; consequently, these assets are not available for future spending. The unrestricted net position is negative \$948,570.

The results of this year's operations as a whole are reported in the Statement of Activities on Page 2. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly related to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues. The two largest general revenues are the equalization provided by the State of Colorado Department of Education and the property taxes assessed to District taxpayers.

Table 2 takes the information from the statement, rearranges it slightly so you can see total revenues for the year.

**Cheyenne County School District R-1
Kit Carson, Colorado
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2016**

Table 2
Fiscal Year Ended June 30, 2016
Change in Net Position

	<u>Government Activities</u>	
REVENUES	<u>6/30/2016</u>	<u>6/30/2015</u>
Program Revenues		
Charges for service	200,068	151,098
Operating grants	131,316	128,397
Capital grants	36,992	42,991
General Revenues		
Property taxes	980,466	808,957
Auto taxes	71,442	73,044
State equalization	1,123,103	817,594
Other	<u>23,557</u>	<u>35,598</u>
Total Revenues	2,566,943	2,057,680
EXPENSES		
Instruction	1,277,047	1,223,583
Pupil services	6,935	9,778
Instructional services	52,817	55,828
General administration	232,448	190,506
School administration	38,225	39,064
Operations & maintenance	307,563	288,966
Pupil transportation	200,071	212,694
Central services	10,407	10,119
Building & technology	127,853	0.00
Student activities	132,040	99,152
Food services	<u>117,482</u>	<u>109,663</u>
Total Expenses	<u>2,502,887</u>	<u>2,239,352</u>
Increase (decrease) in net position	<u>64,056</u>	<u>(181,672)</u>

**Cheyenne County School District R-1
Kit Carson, Colorado
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2016**

Table 3 shows the District's largest functions and unallocated depreciation expense. It also shows the net costs (total cost less revenues generated by the activities). This table also indicates the net costs offset by the other unrestricted grants and subsidies to show the remaining financial needs supported by local taxes and other revenues. As indicated earlier, that table is available for inspection as appendices to this document.

Table 3
Fiscal Year Ended June 30, 2016
Government Activities

Functions/Programs	<u>Total Cost of Programs</u>	<u>Net Cost of Services</u>	<u>Prior Year</u>
Instruction	1,277,047	1,185,962	1,099,616
Pupil services	6,935	6,935	9,778
Instructional services	52,817	52,817	55,828
General administration	232,448	232,448	190,506
School administration	38,225	38,225	39,064
Operations & maintenance	307,563	275,071	288,966
Pupil transportation	200,071	153,488	164,628
Central services	10,407	10,407	10,119
Building & technology	127,853	127,853	0.00
Food services	117,482	58,848	60,521
Student activities	<u>132,040</u>	<u>(7,540)</u>	<u>(2,158)</u>
Total Government Activities	2,502,887	2,134,512	1,916,866
Less state equalization		<u>1,123,103</u>	<u>817,594</u>
Total needs from local taxes and other revenue		<u>1,011,408</u>	<u>1,099,272</u>

The District Funds

Financial Analysis of the District's Funds

Revenues in the general fund increased \$284,194 from the previous year. This increase was mostly due to an increase of \$305,509 from state equalization

Expenditures in the general fund increased during the budget year by \$70,303 from the previous budget year. This increase was primarily due to increase in instructional salaries including administration salaries. The increase also included a dedication to professional development and updating computers and technology.

**Cheyenne County School District R-1
Kit Carson, Colorado
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2016**

General Fund Budget

No amendments were made to the original budget.

Capital Assets and Debt Administration

As of June 30, 2016, the District had \$1,006,275 classified as net capital assets, which is a decrease of \$206 from the prior year.

Capital Assets

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Sites	31,230	31,230
Site improvement	250,903	193,584
Buildings	1,835,667	1,835,667
Equipment	527,763	737,752
Transportation	<u>505,532</u>	<u>511,642</u>
Total Capital Assets	3,151,094	3,309,874
Accumulated depreciation	<u>(2,144,819)</u>	<u>(2,303,393)</u>
Net Capital Assets	<u>1,006,275</u>	<u>1,006,481</u>

Economic Factors and Next Year's Budget and Rates:

Cheyenne County School District R-1 and its subsequent student population are heavily dependent on oil and gas and farming and ranching activities. There has been a substantial increase in the amount of local property that is now subject to oil and gas leases. If this increased interest in oil exploration continues, the district may see an increase in student count at that time. Conditions for the farming and ranching segment of the economy have improved and this may slow the decrease in student count that the district is currently experiencing as well. Future plans of wind turbines will add to the property tax base, but it is not expected to increase the number of students.

The district has more than adequate reserves set aside to prepare for a gradual modification of its business operations to ensure the long term financial viability of the district. However, the district has not been immune to sustained state equalization cuts (negative factor) and anticipates needing additional property tax override support in the future.

The 2016-2017 budget was built on an estimated five year average student count of 109 students. Should student count unexpectedly exceed that amount, the district will modify its budget prior to December 31st 2016. The student count calculation used was conservative in nature and as such a reduction in the average is not anticipated.

**Cheyenne County School District R-1
Kit Carson, Colorado
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2016**

Contacting the Financial Management

This financial report is intended to serve as a general overview of the District's financial status for anyone who has an interest in the District's finances. If you would like further information please contact Superintendent Robert Framel at P.O. Box 185 Kit Carson, CO 80825 or call 719-962-3219.



BASIC FINANCIAL STATEMENTS

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Statement of Net Position
 June 30, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	778,544
Certificates of deposit	2,223,742
Accounts/grants receivable	143
Inventory	2,508
Accrued property taxes receivable	21,978
Capital assets, net of accumulated depreciation	<u>1,006,275</u>
Total Assets	4,033,190
DEFERRED OUTFLOWS	429,436
LIABILITIES	
Current Liabilities	
Accounts payable	5,511
Accrued salaries payable	187,146
Long Term Liabilities	
Net pension liability	<u>3,418,499</u>
Total Liabilities	3,611,155
DEFERRED INFLOWS	129,922
NET POSITION	
Invested in capital assets	1,006,275
Restricted for preschool	3,372
Restricted for TABOR	66,713
Restricted for capital projects	593,760
Unrestricted	<u>(948,570)</u>
Total Net Position	<u>721,548</u>

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Statement of Activities
 For the Year Ended June 30, 2016

		<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Service</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>
Governmental Activities				
Instructional	1,277,047	38,292	48,293	4,500
Support services				
Pupil services	6,935			
Instructional services	52,817			
General administration	232,448			
School administration	38,225			
Operations & maintenance	307,563			32,492
Pupil transportation	200,071		46,583	
Central services	10,407			
Building & technology	127,853			
Student activity	132,040	139,580		
Food services	<u>117,482</u>	<u>22,195</u>	<u>36,439</u>	<u>0</u>
Total Governmental Activities	<u>2,502,887</u>	<u>200,068</u>	<u>131,316</u>	<u>36,992</u>

General revenues:

Taxes

 Property taxes, levied for general purposes

 Property taxes, levied for capital projects

 Specific ownership taxes

State equalization

Miscellaneous

Investment earnings

Gain (loss) on assets

 Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue and
and Changes in Net Position

Governmental
Activities

(1,185,962)

(6,935)

(52,817)

(232,448)

(38,225)

(275,071)

(153,488)

(10,407)

(127,853)

7,540

(58,848)

(2,134,512)

830,506

149,961

71,442

1,123,103

13,215

14,783

(4,441)

2,198,568

64,056

657,492

721,548

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Balance Sheet
 Governmental Funds
 June 30, 2016

	<u>General</u>	<u>Capital Projects</u>	<u>Non Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	605,012	90,204	83,328	778,544
Certificates of deposit	1,540,164	683,578	0	2,223,742
Accounts/grants receivable	0	0	143	143
Inventory	0	0	2,508	2,508
Accrued property taxes receivable	<u>18,620</u>	<u>0</u>	<u>3,358</u>	<u>21,978</u>
Total Assets	<u>2,163,797</u>	<u>773,782</u>	<u>89,336</u>	<u>3,026,915</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	0	0	5,511	5,511
Accrued salaries payable	<u>177,967</u>	<u>0</u>	<u>9,179</u>	<u>187,146</u>
Total Liabilities	<u>177,967</u>	<u>0</u>	<u>14,690</u>	<u>192,656</u>
Fund Balances				
Restricted for TABOR	66,713	0	0	66,713
Restricted for preschool	3,372	0	0	3,372
Restricted for capital projects	0	594,525	(766)	593,760
Committed for capital projects	0	179,257	0	179,257
Nonspendable	0	0	2,508	2,508
Assigned	0	0	72,904	72,904
Unassigned	<u>1,915,746</u>	<u>0</u>	<u>0</u>	<u>1,915,746</u>
Total Fund Balances	<u>1,985,830</u>	<u>773,782</u>	<u>74,646</u>	<u>2,834,259</u>
Total Liabilities and Fund Balances	<u>2,163,797</u>	<u>773,782</u>	<u>89,336</u>	<u>3,026,915</u>

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Balance Sheet
 Governmental Funds
 June 30, 2016

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

Total Governmental Fund Balances	2,834,259
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	1,006,275
Deferred outflows of resources, reported as deferred amount on pensions, are not financial resources and thus are not reported as assets in governmental funds	429,436
Long-term liabilities, including net pension liability, are not due and payable in the current period and therefore are not reported in the funds	(3,418,499)
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>(129,922)</u>
Net Position of Governmental Activities	<u>721,548</u>

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2016

REVENUES	<u>General</u>	<u>Capital Projects</u>	<u>Non Major Funds</u>	<u>Total Governmental Funds</u>
Local Sources				
Property taxes	830,506	0	149,961	980,466
Specific ownership taxes	71,442	0	0	71,442
Investment interest	9,851	4,932	0	14,783
Other	56,257	0	139,580	195,838
Charges for service	0	0	22,195	22,195
State Sources				
Equalization	1,123,103	0	0	1,123,103
Vocational education	16,179	0	0	16,179
Transportation	46,583	0	0	46,583
Other	16,071	32,492	843	49,405
Federal Sources	<u>16,044</u>	<u>0</u>	<u>35,597</u>	<u>51,640</u>
Total Revenues	2,186,035	37,424	348,176	2,571,634
EXPENDITURES				
Current				
Instruction	1,135,363	0	0	1,135,363
Supporting Services				
Pupil guidance	6,935	0	0	6,935
Instructional staff services	49,411	0	0	49,411
Superintendent	218,996	0	0	218,996
Principals	35,182	0	0	35,182
Operations & maintenance	298,838	0	0	298,838
Pupil transportation	157,804	0	0	157,804
Central services	10,407	0	0	10,407
Other	0	0	132,040	132,040
Repairs & supplies	0	0	84,361	84,361
Food services	0	0	113,096	113,096
Capital outlay	<u>40,098</u>	<u>39,875</u>	<u>66,365</u>	<u>146,338</u>
Total Expenditures	<u>1,953,033</u>	<u>39,875</u>	<u>395,863</u>	<u>2,388,771</u>
Revenues over (under) Expenditures	233,002	(2,451)	(47,687)	182,864

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2016
 (continued)

	<u>General</u>	<u>Capital Projects</u>	<u>Non Major Funds</u>	<u>Total Governmental Funds</u>
Other Sources (Uses)				
Operating transfers in (out)	<u>(53,000)</u>	<u>0</u>	<u>53,000</u>	<u>0</u>
Excess of revenues over (under)				
Expenditures and other uses	180,002	(2,451)	5,313	182,864
Fund Balance - Beginning	<u>1,805,828</u>	<u>776,234</u>	<u>69,334</u>	<u>2,651,395</u>
Fund Balance - Ending	<u>1,985,830</u>	<u>773,782</u>	<u>74,646</u>	<u>2,834,259</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	182,864
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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	91,907	
Depreciation expense	<u>(87,422)</u>	4,485

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	(118,601)
------------------	-----------

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	(250)
Recognized gain (loss)	<u>(4,441)</u>

Change in net position of government activities	<u>64,056</u>
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Notes to the Financial Statements

CHEYENNE COUNTY SCHOOL DISTRICT R-1
Kit Carson, 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 Cheyenne County School District R-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. It has no component units. Neither is it a component unit of any other entity.

This report includes all funds of Cheyenne County School District R-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. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a 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 reserve fund accounts for capital asset and major renovations and repairs. Financing is provided by transfers from the general fund.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
Kit Carson, Colorado
Notes to Financial Statements
June 30, 2016
(continued)

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. 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) is 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 within 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.

F. Assets, Liabilities, Fund Balances and Net P

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.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
Kit Carson, Colorado
Notes to Financial Statements
June 30, 2016
(continued)

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 governmental column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,500 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 in the proprietary funds using the straight line method over the following estimated useful lives:

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

The District does not have any infrastructure assets.

5. Compensated Absences

Full time certified employees are allowed 10 compensated absence days per year. During a teacher’s third and subsequent years in the District, sick leave in excess of 30 days shall be purchased by the District at the substitute rate of pay. This amount is not considered material.

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 statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the debt.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Notes to Financial Statements
 June 30, 2016
 (continued)

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, liabilities and disclosures. Actual results could differ from those estimates.

8. Fund Balances and Net Position

In the government-wide financial statements, net position is classified in the following categories:

- Invested in capital assets, net of related debt – 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 the 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 funds are deemed spent first.

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 a nonspendable 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 are 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.

When committed, assigned, and unassigned funds are available, committed funds are deemed spent first, then assigned funds.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
Kit Carson, Colorado
Notes to Financial Statements
June 30, 2016
(continued)

At June 30, 2016 amounts restricted were \$3,372 for Preschool, \$66,713 for TABOR Reserve, and \$593,760 for capital projects. Amounts assigned as of the same date were \$71,425 for student activities and \$1,480 for food services. The food service fund also had nonspendable fund balance of \$2,508.

(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 issue in November of 1997 which allows the District to collect, retain, and expend revenues legally received from any source.

- B. The District is in compliance with Financial Policies and Procedures Handbook prepared by the Colorado Department of Education.
- C. The fund balance of the Special Building and Technology Fund is negative.
- D. The voters of the District approved a \$200,000 tax override in 1994 for all subsequent years. In November of 2015, the voters of the District also approved a \$150,000 tax override for all subsequent years and a one-time \$150,000 tax override for the Special Building and Technology Capital Projects Fund.

(3) DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

- A. Deposits and Investments - all are in a single financial institution. Deposits are displayed on the balance sheets as "Cash in Bank" and "Certificates of Deposit." They are carried at cost.

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.

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

	Bank Balance	Carrying Balance
Insured (FDIC)	\$500,000	\$500,000
Deposited in CSAFE	209,564	209,564
Deposits uncollateralized in a single institution pool	<u>2,117,362</u>	<u>2,292,722</u>
Total cash	\$2,826,926	\$3,002,286
Shown as certificates of deposit		<u>2,223,742</u>
Shown as cash		<u>778,544</u>

As presented above, deposits with a bank balance of \$2,117,362 and a carrying balance of \$2,292,722 as of June 30, 2016, are uninsured, exposed to custodial credit risk, and are collateralized with securities held by the pledging financial institution. CSAFE is a local governmental investment pool with a rating of AAAM by Standard & Poor's.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
Kit Carson, Colorado
Notes to Financial Statements
June 30, 2016
(continued)

- 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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Sites	31,230	-0-	-0-	31,230
Site improvements	193,584	63,692	6,373	250,903
Buildings	1,835,667	-0-	-0-	1,835,667
Equipment	737,752	28,215	238,204	527,763
Transportation	<u>511,642</u>	<u>-0-</u>	<u>6,111</u>	<u>505,531</u>
Total	3,309,875	91,907	250,688	3,151,094
Less Accumulated Depreciation				
Site	-0-	-0-	-0-	-0-
Site improvements	69,283	6,214	5,098	70,399
Buildings	1,223,124	30,282	-0-	1,253,406
Equipment	641,783	17,511	234,788	424,506
Transportation	<u>369,203</u>	<u>33,415</u>	<u>6,110</u>	<u>396,508</u>
Total	<u>2,303,393</u>	<u>87,422</u>	<u>245,996</u>	<u>2,144,819</u>
Government Activities				
Capital Assets, Net	<u>1,006,482</u>	<u>4,485</u>	<u>4,692</u>	<u>1,006,275</u>

Depreciation expense for the governmental activities was allocated \$53,690 to instruction, \$33,415 to transportation, and \$317 to food service.

- D. The District had no long term debt at June 30, 2016.

(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 property and casualty and workers' compensation 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.
- B. The District carries commercial insurance for all other losses, including employee health and accident insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.
- C. 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 wages are earned over a school year of approximately nine months. The salaries earned but not paid at June 30 are shown as an accrued liability.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
Kit Carson, Colorado
Notes to Financial Statements
June 30, 2016
(continued)

- D. Operating Transfers In (Out) - The General Fund transferred \$53,000 to the Food Services Fund during the fiscal year.
- E. The ending fund balance in the Special Building & Technology Capital Projects Fund is a deficit.
- F. 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:

- 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.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
Kit Carson, Colorado
Notes to Financial Statements
June 30, 2016
(continued)

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 Years Ended December 31	
	2015	2016
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	<u>(1.02)%</u>	<u>(1.02)%</u>
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	<u>4.00%</u>	<u>4.50%</u>
Total Employer Contribution Rate to the SCHDTF ¹	<u>17.33%</u>	<u>18.13%</u>

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

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 \$175,911 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 \$3,418,499 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 0.0223514651 percent, which was a decrease of 0.0001288636 percent from its proportion measured as of December 31, 2014.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Notes to Financial Statements
 June 30, 2016
 (continued)

For the year ended June 30, 2016, the District recognized pension expense of \$294,512. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	45,142	142
Changes of assumptions or other inputs	-0-	48,309
Net difference between projected and actual earnings on pension plan investments	290,668	-0-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-0-	81,471
Contributions subsequent to the measurement date	<u>93,626</u>	<u>N/A</u>
Total	<u>429,436</u>	<u>129,922</u>

There is \$93,626 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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	(45,332)
2018	(33,138)
2019	(3,000)
2020	-0-
2021	-0-
Thereafter	-0-

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.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
Kit Carson, Colorado
Notes to Financial Statements
June 30, 2016
(continued)

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 the 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:

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	<u>7.00%</u>	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%.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
Kit Carson, Colorado
Notes to Financial Statements
June 30, 2016
(continued)

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.

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	4,431,374	3,418,499	2,575,976

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Notes to Financial Statements
 June 30, 2016
 (continued)

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.

G. Other Post-Employment Benefits

Health Care Trust Fund

Plan Description – The 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 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 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 District contributions to the HCTF were \$10,111, \$10,327 and \$10,458, respectively, equal to their required contributions for each year.

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

Each member pays a \$2,500 membership fee and then contributes additional monies in the relationship their student enrollment is to the total enrollment of all the members.

At June 30, 2015, total assets were \$2,633,823, deferred outflows were \$388,938, total liabilities were \$8,833,532, deferred inflows were \$329,949, net position was (\$6,140,720), revenues were \$8,424,082, and expenses were \$8,882,336.

Complete financial statements may be obtained from BOCES office at 820 Second Street, Limon, CO, 80828.

REQUIRED SUPPLEMENTARY INFORMATION

CHEYENNE COUNTY SCHOOL DISTRICT R-1
Kit Carson, Colorado
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>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local Sources				
Property taxes	836,000	836,000	829,938	(6,062)
Other	116,500	116,500	138,117	21,617
State Sources				
Equalization	1,050,000	1,050,000	1,123,103	73,103
Other	74,200	74,200	78,833	4,633
Federal Sources	<u>19,000</u>	<u>19,000</u>	<u>16,044</u>	<u>(2,956)</u>
Total Revenues	2,095,700	2,095,700	2,186,035	90,335
EXPENDITURES				
Current				
Instruction	1,131,172	1,131,172	1,135,363	(4,191)
Supporting Services				
Pupils	8,250	8,250	6,935	1,315
Instructional staff - library	54,600	54,600	49,411	5,189
General administration	236,860	236,860	218,996	17,864
School administration	37,000	37,000	35,182	1,818
Operations & maintenance	309,750	309,750	298,838	10,912
Transportation	179,750	179,750	157,804	21,946
Central services	11,000	11,000	10,407	593
Appropriated reserves	1,885,818	1,885,818	0	1,885,818
Capital Outlay	46,500	46,500	40,098	6,402
Contingency Reserve	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>3,900,700</u>	<u>3,900,700</u>	<u>1,953,033</u>	<u>1,947,667</u>
Excess of Revenues over (under) Expenditures	(1,805,000)	(1,805,000)	233,002	2,038,002
Other Sources (Uses)				
Operating Transfers In (Out)	<u>0</u>	<u>0</u>	<u>(53,000)</u>	<u>(53,000)</u>
Excess of Revenues and Other Sources over (under) Expenditures	(1,805,000)	(1,805,000)	180,002	1,985,002
Fund Balance - Beginning	<u>1,805,000</u>	<u>1,805,000</u>	<u>1,805,828</u>	<u>828</u>
Fund Balance - Ending	<u>0</u>	<u>0</u>	<u>1,985,830</u>	<u>1,985,830</u>

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 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	0.022351%	0.022480%	0.023659%
Proportionate share of the collective net pension liability	3,418,499	3,046,840	2,939,646
Covered payroll	973,097	941,764	953,781
Proportionate share of the net pension liability as a percentage of its covered employee payroll	351.30%	323.52%	308.21%
Plan fiduciary net position of the total pension liability	59.20%	62.80%	64.06%

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



CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 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>	<u>2007</u>
Statutorily required contributions	175,911	162,991	148,337	144,214	134,901	129,727	125,338	113,480	105,394	96,116
Contributions in relation to the statutorily required contribution	<u>175,911</u>	<u>162,991</u>	<u>148,337</u>	<u>144,214</u>	<u>134,901</u>	<u>129,727</u>	<u>125,338</u>	<u>113,480</u>	<u>105,394</u>	<u>96,116</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>	<u>0</u>
Covered-employee payroll	991,225	964,737	893,541	955,730	950,728	976,195	1,012,204	988,119	996,788	975,870
Contributions as a percentage of covered-employee payroll	17.75%	16.89%	16.60%	15.09%	14.19%	13.29%	12.38%	11.48%	10.57%	9.85%

OTHER INFORMATION

COMBINING FUND STATEMENTS

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 NonMajor Governmental Funds
 Combining Balance Sheet
 June 30, 2016

	<u>Food Service</u>	<u>Student Activity</u>	<u>Building & Technology</u>	<u>Total</u>
ASSETS				
Cash	10,516	71,425	1,387	83,328
Accounts/grants receivable	143	0	0	143
Property taxes receivable	0	0	3,358	3,358
Inventory	<u>2,508</u>	<u>0</u>	<u>0</u>	<u>2,508</u>
Total Assets	<u>13,166</u>	<u>71,425</u>	<u>4,745</u>	<u>89,336</u>
 LIABILITIES AND FUND BALANCE				
Liabilities				
Current				
Accounts payable	0	0	5,511	5,511
Accrued salaries & benefits	<u>9,179</u>	<u>0</u>	<u>0</u>	<u>9,179</u>
Total Liabilities	9,179	0	5,511	14,690
 Fund Balance				
Nonspendable	2,508	0	0	2,508
Assigned	1,480	71,425	0	72,904
Restricted	<u>0</u>	<u>0</u>	<u>(766)</u>	<u>(766)</u>
Total Fund Balance	<u>3,987</u>	<u>71,425</u>	<u>(766)</u>	<u>74,646</u>
 Total Liabilities and Fund Balance	 <u>13,166</u>	 <u>71,425</u>	 <u>4,745</u>	 <u>89,336</u>

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 NonMajor Governmental Funds
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 For the Year Ended June 30, 2016

	<u>Food Service</u>	<u>Student Activity</u>	<u>Building & Technology</u>	<u>Total</u>
REVENUES				
Local sources	22,195	139,580	149,961	311,736
State sources	843	0	0	843
Federal sources	<u>35,597</u>	<u>0</u>	<u>0</u>	<u>35,597</u>
Total Revenues	58,634	139,580	149,961	348,176
EXPENDITURES				
Current				
Salaries & benefits	60,971	0	0	60,971
Supplies & repairs	52,125	0	84,361	136,486
Other	0	132,040	0	132,040
Capital Outlay	<u>0</u>	<u>0</u>	<u>66,365</u>	<u>66,365</u>
Total Expenditures	<u>113,096</u>	<u>132,040</u>	<u>150,726</u>	<u>395,863</u>
Revenues over (under) Expenditures	(54,462)	7,540	(766)	(47,687)
Other Financing Sources				
Operating Transfers In	<u>53,000</u>	<u>0</u>	<u>0</u>	<u>53,000</u>
Excess of Revenues and Other Sources over (under) Expenditures	(1,462)	7,540	(766)	5,313
Fund Balance - Beginning	<u>5,449</u>	<u>63,885</u>	<u>0</u>	<u>69,334</u>
Fund Balance - Ending	<u>3,987</u>	<u>71,425</u>	<u>(766)</u>	<u>74,646</u>

INDIVIDUAL FUND FINANCIAL STATEMENTS

GENERAL FUND

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed primarily from property taxes and state aid. It is the most significant fund in relation to the District's overall operation.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
Kit Carson, Colorado
General Fund
Comparative Balance Sheet

	<u>6/30/16</u>	<u>6/30/15</u>	<u>Change</u>
ASSETS			
Cash			
In bank	605,012	593,725	11,287
Certificates of deposit	1,540,164	1,383,797	156,367
Accrued property tax receivable	<u>18,620</u>	<u>13,986</u>	<u>4,634</u>
Total Assets	<u>2,163,797</u>	<u>1,991,508</u>	<u>172,289</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accrued salaries & benefits payable	177,967	185,680	(7,714)
Fund Balance			
Restricted for TABOR	66,713	55,245	11,468
Restricted for preschool	3,372	3,372	0
Unassigned	<u>1,915,746</u>	<u>1,747,211</u>	<u>168,534</u>
Total Fund Balance	<u>1,985,830</u>	<u>1,805,828</u>	<u>180,002</u>
Total Liabilities and Fund Balance	<u>2,163,797</u>	<u>1,991,508</u>	<u>172,289</u>

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 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

REVENUES	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
Local Sources				
Property taxes	836,000	829,938	(6,062)	808,450
Specific ownership taxes	60,000	71,442	11,442	73,044
Penalties & interest	500	568	68	507
Interest on investments	12,000	9,851	(2,149)	10,607
Other	<u>44,000</u>	<u>56,257</u>	<u>12,257</u>	<u>89,848</u>
Total Local Revenue	952,500	968,055	15,555	982,457
State Sources				
Equalization	1,050,000	1,123,103	73,103	817,594
Vocational education	13,000	16,179	3,179	12,827
Transportation	44,800	46,583	1,783	48,067
Other grants	3,900	5,235	1,335	8,340
BOCES flowthrough	<u>12,500</u>	<u>10,836</u>	<u>(1,665)</u>	<u>12,068</u>
Total State Revenue	1,124,200	1,201,936	77,736	898,896
Federal Sources				
BOCES flowthrough	0	1,122	1,122	661
Grants	<u>19,000</u>	<u>14,922</u>	<u>(4,079)</u>	<u>19,828</u>
Total Revenues	2,095,700	2,186,035	90,335	1,901,841
Expenditures	<u>3,900,700</u>	<u>1,953,033</u>	<u>1,947,667</u>	<u>1,882,730</u>
Excess of Revenues over (under)				
Expenditures	(1,805,000)	233,002	2,038,002	19,111
Other Financing Sources (Uses)				
Operating Transfers In (Out)	<u>0</u>	<u>(53,000)</u>	<u>(53,000)</u>	<u>(59,000)</u>
Excess of Revenues and Other Sources over (under)				
Expenditures and Other Uses	(1,805,000)	180,002	1,985,002	(39,889)
Fund Balance - Beginning	<u>1,805,000</u>	<u>1,805,828</u>	<u>828</u>	<u>1,845,716</u>
Fund Balance - Ending	<u>0</u>	<u>1,985,830</u>	<u>1,985,830</u>	<u>1,805,828</u>

CHEYENNE COUNTY SCHOOL DISTRICT R-1
Kit Carson, Colorado
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	703,747	705,660	(1,913)	702,432
Employee benefits	281,850	267,703	14,147	256,181
Purchased services	82,400	92,485	(10,085)	85,681
Supplies & expenses	56,950	63,555	(6,605)	60,074
Other	6,225	5,959	266	5,315
Capital Outlay	<u>14,500</u>	<u>9,922</u>	<u>4,578</u>	<u>15,985</u>
Total Instruction	1,145,672	1,145,285	387	1,125,668
SUPPORTING SERVICES				
Pupils				
Current				
Purchased services	7,000	5,796	1,204	7,000
Supplies & expenses	950	889	61	2,638
Other	<u>300</u>	<u>250</u>	<u>50</u>	<u>140</u>
Total Pupils	8,250	6,935	1,315	9,778
Instructional Staff				
Current				
Salaries	36,250	30,783	5,468	36,228
Employee benefits	9,550	11,073	(1,523)	9,266
Purchased services	4,000	3,365	635	1,250
Supplies & expenses	4,800	4,191	609	5,553
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,470</u>
Total Instructional Staff	54,600	49,411	5,189	53,768
General Administration				
Current				
Salaries	133,560	121,588	11,972	112,491
Employee benefits	54,300	52,134	2,166	39,815
Purchased services	27,900	22,428	5,472	14,366
Supplies & expenses	16,000	13,218	2,782	12,261
Other expenses	5,100	9,628	(4,528)	5,175
Capital Outlay	<u>2,000</u>	<u>0</u>	<u>2,000</u>	<u>0</u>
Total General Administration	238,860	218,996	19,864	184,109

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 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 (Unfavorable)	Actual Prior Year
SUPPORTING SERVICES				
(continued)				
School Administration				
Current				
Salaries	31,000	27,500	3,500	31,136
Employee Benefits	6,000	5,682	318	6,157
Purchased Services	<u>0</u>	<u>2,000</u>	<u>(2,000)</u>	<u>0</u>
Total School Administration	37,000	35,182	1,818	37,293
Operations & Maintenance				
Current				
Salaries	70,000	69,660	340	68,745
Employee Benefits	29,000	29,481	(481)	28,292
Purchased Services	116,000	108,078	7,922	99,016
Supplies & Expenses	94,750	91,618	3,132	88,985
Capital Outlay	<u>30,000</u>	<u>30,176</u>	<u>(176)</u>	<u>3,548</u>
Total Operations & Maintenance	339,750	329,014	10,736	288,585
Transportation				
Current				
Salaries	81,500	80,011	1,489	81,040
Employee Benefits	47,000	48,392	(1,392)	44,475
Purchased Services	2,750	1,099	1,652	1,071
Supplies & Expenses	48,000	25,638	22,362	37,926
Other	500	2,664	(2,164)	843
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,054</u>
Total Transportation	179,750	157,804	21,946	173,409
Central Services				
Current				
Purchased Services	<u>11,000</u>	<u>10,407</u>	<u>593</u>	<u>10,119</u>
Total Supporting Services	869,210	807,748	61,462	757,061
APPROPRIATED RESERVES	<u>1,885,818</u>	<u>0</u>	<u>1,885,818</u>	<u>0</u>
Total Expenditures	<u>3,900,700</u>	<u>1,953,033</u>	<u>1,947,667</u>	<u>1,882,730</u>



SPECIAL REVENUE 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 and the expenditures of each of the activities reported.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Food Services Special Revenue Fund
 Comparative Balance Sheet

	<u>6/30/16</u>	<u>6/30/15</u>	<u>Change</u>
ASSETS			
Current Assets			
Cash in bank	10,516	7,661	2,854
Accounts/grants receivable	143	3,139	(2,996)
Inventory	<u>2,508</u>	<u>3,710</u>	<u>(1,203)</u>
Total Assets	<u>13,166</u>	<u>14,510</u>	<u>(1,344)</u>
LIABILITIES AND NET POSITION			
Current Liabilities			
Accrued salaries & benefits	9,179	9,061	118
Fund Balance			
Nonspendable	2,508	3,710	(1,203)
Assigned	<u>1,480</u>	<u>1,739</u>	<u>(259)</u>
Total Fund Balance	<u>3,987</u>	<u>5,449</u>	<u>(1,462)</u>
Total Liabilities and Fund Balance	<u>13,166</u>	<u>14,510</u>	<u>(1,344)</u>

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Food Services Special Revenue Fund
 Statement of Revenues, Expenses, 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 Year
Charges for Service				
Lunches	19,000	22,195	3,195	22,534
State Grants	0	843	843	834
Federal Aid				
Lunches	28,000	30,963	2,963	21,832
Commodities donated	<u>7,000</u>	<u>4,633</u>	<u>(2,367)</u>	<u>3,941</u>
Total Revenue	54,000	58,634	4,634	49,142
EXPENDITURES				
Salaries	37,000	36,778	222	36,131
Benefits	22,500	24,193	(1,693)	22,513
Food & milk	40,000	43,884	(3,884)	42,327
Supplies/other	16,500	8,241	8,259	5,314
Capital outlay	<u>500</u>	<u>0</u>	<u>500</u>	<u>0</u>
Total Expenses	<u>116,500</u>	<u>113,096</u>	<u>3,404</u>	<u>106,284</u>
Excess of Revenues over (under) Expenditures	(62,500)	(54,462)	8,038	(57,143)
OTHER SOURCES				
Operating Transfers In	<u>57,100</u>	<u>53,000</u>	<u>(4,100)</u>	<u>59,000</u>
Excess of Revenues and Other Sources over (under) Expenditures	(5,400)	(1,462)	3,938	1,857
Fund Balance - Beginning	<u>5,400</u>	<u>5,449</u>	<u>49</u>	<u>3,592</u>
Fund Balance - Ending	<u>0</u>	<u>3,987</u>	<u>3,987</u>	<u>5,449</u>



CHEYENNE COUNTY SCHOOL DISTRICT R-1
Kit Carson, Colorado
Student Activity Special Revenue Fund
Comparative Balance Sheet

	<u>6/30/16</u>	<u>6/30/15</u>	<u>Change</u>
ASSETS			
Cash in bank	<u>71,425</u>	<u>63,885</u>	<u>7,540</u>
ASSIGNED FUND BALANCE	<u>71,425</u>	<u>63,885</u>	<u>7,540</u>

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Student Activity Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2016

	Balance			Balance
	<u>July 1</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>June 30</u>
Athletics	(960)	0	0	(960)
Summer Volleyball	2,462	4,227	5,130	1,559
Girls Basketball	1,549	2,557	2,318	1,788
Boys BKB Fun Fund	3,662	15,653	14,299	5,016
Coaching Clinic	(195)	0	0	(195)
Football Miscellaneous	607	365	0	972
Sports	2,255	0	0	2,255
Track	1,062	709	481	1,290
FFA	594	22,075	21,233	1,436
FCCLA	1	0	0	1
H S Cheerleaders	(4)	0	0	(4)
Jr Hi Cheerleaders	923	0	0	923
Studco	41	275	272	45
Class of 2009	143	0	0	143
Class of 2008	6	0	0	6
Class of 2007	1	0	0	1
Class of 2006	3	0	0	3
Class of 2011	1	0	0	1
Class of 2012	13	0	0	13
Class of 2013	(0)	0	0	(0)
Class of 2015	100	0	76	24
Class of 2016	18,699	22,276	42,303	(1,329)
Class of 2017	7,117	24,072	14,600	16,589
Class of 2018	4,486	16,338	9,392	11,432
Class of 2019	2,726	8,702	3,493	7,935
Class of 2020	2,777	2,787	1,134	4,430
Class of 2021	993	3,014	1,439	2,568
Class of 2022	0	1,158	262	896
Bleacher Fund	(48)	0	0	(48)
Pop Fund	1	0	0	1
Student Bk Purchase	(3)	21	21	(3)
Sales/Not Fund Raise	1,128	2,555	2,815	868
After Prom Party	410	2,085	2,194	301

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Student Activity Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2016
 (continued)

	Balance <u>July 1</u>	<u>Revenues</u>	<u>Expenditures</u>	Balance <u>June 30</u>
Box Tops For Ed.	1,624	458	0	2,082
Target Fund Raising	1,519	149	161	1,508
Diabetes - Fruit	25	0	0	25
Snack Program	873	1,000	754	1,119
CHSAA Milk Grant	1,502	0	358	1,143
Baughman Foundation	66	0	0	66
Michael Ghegan Fund	2,250	0	0	2,250
School Mall	106	0	0	106
Back to School Activities	36	0	0	36
Rockies Game Tickets	5	0	0	5
Computer	(29)	0	0	(29)
Discover Fund	10	0	0	10
Library Fund	238	300	0	538
Wind Ensemble Trip	3,195	8,148	6,469	4,875
Drama/Play	9	0	0	9
Science & Technology	2,455	657	2,837	275
Boettcher Science Fund	2	0	0	2
NAL Scholarship Fund	3	0	0	3
College Scholarships	490	0	0	490
Staff Scholarships	862	0	0	862
B O E/Staff Activities	<u>(1,907)</u>	<u>0</u>	<u>0</u>	<u>(1,907)</u>
Total	63,885	139,580	132,040	71,425
 Budget	 <u>63,885</u>	 <u>60,000</u>	 <u>123,885</u>	 <u>0</u>
Variance - Favorable (Unfavorable)	<u>0</u>	<u>79,580</u>	<u>(8,156)</u>	<u>71,425</u>



CAPITAL PROJECTS FUNDS

Special Building and Technology Fund – to account for the revenues from a tax levy for the purpose of acquiring, maintaining, or constructing schools or for the purchase and installation of instructional and informational technology. Expenditures from the fund shall be authorized by a resolution adopted by the board of education of the District.

Capital Reserve 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; acquisition of school buses or other equipment, including any necessary installations; 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 a lease agreement 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 an allocation from the General Fund.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Special Building & Technology Capital Projects Fund
 Comparative Balance Sheet

	<u>6/30/16</u>	<u>6/30/15</u>	<u>Change</u>
ASSETS			
Cash in bank	1,387	0	1,387
Accrued property taxes receivable	<u>3,358</u>	<u>0</u>	<u>3,358</u>
Total Assets	<u>4,745</u>	<u>0</u>	<u>4,745</u>
LIABILITIES AND FUND BALANCE			
Current Liabilities			
Accounts payable	5,511	0	5,511
FUND BALANCE			
Restricted for Capital Projects	<u>(766)</u>	<u>0</u>	<u>(766)</u>
Total Liabilities and Fund Balance	<u>4,745</u>	<u>0</u>	<u>4,745</u>

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Special Building & Technology Capital Projects Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2016

	Amended <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Local Sources			
Property taxes	150,000	149,961	(39)
EXPENDITURES			
Current			
Repairs	135,000	79,244	55,756
Supplies	0	5,117	(5,117)
Capital Outlay	<u>15,000</u>	<u>66,365</u>	<u>(51,365)</u>
Total Expenditures	<u>150,000</u>	<u>150,726</u>	<u>(726)</u>
Excess of Revenues over (under) Expenditures	0	(766)	(766)
Fund Balance - Beginning	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance - Ending	<u>0</u>	<u>(766)</u>	<u>(766)</u>

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 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	90,204	59,591	30,613
Certificates of deposit	<u>683,578</u>	<u>716,643</u>	<u>(33,065)</u>
 Total Cash	 <u>773,782</u>	 <u>776,234</u>	 <u>(2,451)</u>
 FUND BALANCE			
Committed for capital projects	179,257	141,834	37,424
Restricted for capital projects	<u>594,525</u>	<u>634,400</u>	<u>(39,875)</u>
 Total Fund Balance	 <u>773,782</u>	 <u>776,234</u>	 <u>(2,451)</u>

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Capital Reserve Capital Projects Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2016

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
REVENUES				
Local Sources				
Interest on investments	5,000	4,932	(68)	5,388
State Sources				
Small rural school	<u>32,000</u>	<u>32,492</u>	<u>492</u>	<u>0</u>
Total Revenues	37,000	37,424	424	5,388
 EXPENDITURES				
Debt service	0	0	0	27,521
Capital outlay	50,000	39,875	10,125	0
Contingency reserve	<u>762,000</u>	<u>0</u>	<u>762,000</u>	<u>0</u>
Total Expenditures	<u>812,000</u>	<u>39,875</u>	<u>772,125</u>	<u>27,521</u>
Excess of Revenues over (under) Expenditures	(775,000)	(2,451)	772,549	(22,134)
Fund Balance - Beginning	<u>775,000</u>	<u>776,234</u>	<u>1,234</u>	<u>798,367</u>
Fund Balance - Ending	<u>0</u>	<u>773,782</u>	<u>773,782</u>	<u>776,234</u>

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

AUDITOR'S INTEGRITY REPORT



Colorado Department of Education
Auditors Integrity Report
 District: 0510 - KIT CARSON R-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	1,805,828		2,133,035		1,953,033		1,985,830
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		0		0		0
Sub-Total	1,805,828		2,133,035		1,953,033		1,985,830
11 Charter School Fund	0		0		0		0
20,26-29 Special Revenue Fund	0		0		0		0
21 Food Service Spec Revenue Fund	5,449		111,634		113,096		3,987
22 Govt Designated-Purpose Grants Fund	0		0		0		0
23 Pupil Activity Special Revenue Fund	63,885		139,580		132,040		71,425
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		149,961		150,726		-766
43 Capital Reserve Capital Projects Fund	776,234		37,424		39,875		773,782
Totals	2,651,395		2,571,634		2,388,771		2,824,258
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	0		0		0		0
79 GASB 34:Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	0		0		0		0

FINAL

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