

cPa DIXON, WALLER & CO., INC.

McCLAVE SCHOOL DISTRICT

NUMBER RE-2

McCLAVE, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2016

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DIXON, WALLER & CO., INC.

TABLE OF CONTENTS

McCLAVE SCHOOL DISTRICT
NUMBER RE-2

FINANCIAL STATEMENTS

JUNE 30, 2016

	<u>Page</u>
Title Page	
Table of Contents	
Roster of Officials	
<u>FINANCIAL SECTION:</u>	
Independent Auditor's Report.....	1-2
Management's Discussion and Analysis.....	i-vi
<u>BASIC FINANCIAL STATEMENTS:</u>	
Government Wide Financial Statements:	
Statement of Net Position.....	3
Statement of Activities.....	4
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	5
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position.....	6
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	8

Fund Financial Statements (Continued):	<u>Page</u>
Statement of Fiduciary Net Position.....	9
Notes to Basic Financial Statements.....	10-33

REQUIRED SUPPLEMENTARY INFORMATION:

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
– Major Governmental Funds:**

General Fund.....	34-37
Food Service Special Revenue Fund – Schedule of Revenues, Expenses and Changes in Fund Balance – Budget and Actual.....	38
 Pension Trend Data:	
Schedule of Proportionate Share of Net Pension Liability.....	39
Schedule of District Contributions.....	40

OTHER SCHEDULES:

Pupil Activity Agency Fund – Schedule of Activities – Budget and Actual.....	41
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STATE REQUIRED SCHEDULE:

Auditor’s Integrity Report (Revenues, Expenditures, and Fund Balance by Fund).....	42
Bolded Balance Sheet.....	43-45

McCLAVE SCHOOL DISTRICT NUMBER RE-2
ROSTER OF SCHOOL OFFICIALS
June 30, 2016

BOARD OF EDUCATION

Kelly Roesch	President
Teale Hemphill	Vice-President
Stephanie Malone	Secretary
Peggy Branom	Treasurer
Scott Curley	BOCES Director

SCHOOL OFFICIALS

Terry Weber	Superintendent
Mary Cass	Business Manager

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

Board of Education
McClave School District Number RE-2
McClave, Colorado 81057

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the McClave School District Number RE-2, 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, 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 McClave School District Number RE-2, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension trend data on pages i through vi and 34 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the McClave School District Number RE-2's basic financial statements. The other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other schedules, and state required schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other schedules, and state required schedules, are fairly stated, in all material respect, in relation to the basic financial statements as a whole.



Trinidad, Colorado
November 21, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the McClave School District Re-2, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the twelve month period ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with and the District's financial statements, which follow this section.

Financial Highlights

- * The assets of the District exceeded its liabilities at the close of the most recent period \$6,133,518 (*total assets*) compared to \$5,698,834 (*total liabilities*.) The District participates in the Public Employee Retirement Association and has pension obligations with the implementation of Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. The District's share of these obligations is \$4,810,020 and the District is required to record a portion of that share, which shows a change in Net Position of \$88,750. In addition, the District is carrying an accrual for salaries and benefits of \$195,091. The remaining amount of \$826,545 (*net position*) may be used to meet the District's ongoing obligations.
- * As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$1,834,630. Approximately 91 percent of this total amount, \$1,677,862 is *available for spending* at the government's discretion (*unassigned, fund balance*).
- * At the end of the current fiscal year, the unassigned fund balance for the general fund was \$1,678,736 or 60 percent of the total general fund expenditures of \$2,800,701.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (*governmental activities*).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives: The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole.

- Some funds are required by State law and/or bond covenants.
- Other funds may be established by the Board to control and manage money for particular purposes or to show that it is properly using certain taxes or grants.

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary fund.

- **Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The District maintains two governmental funds, *the capital reserve fund and the general fund*. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and debt service fund, both of which are considered to be major funds. The District adopts an annual appropriated budget for its general fund and capital reserve fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets.
- **Special Revenue funds.** *Special revenue funds* are used by state and local governments, earmarked for a specific purpose (other than business-like activities). The District uses the *special revenue fund* to report activities for its *food service* program.
- **Fiduciary funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separated statement of fiduciary net assets and a statement of changes in fiduciary net assets. These activities are excluded from the District's

government-wide financial statements because the District cannot use these assets to finance its operations.

Note to the financial statements. The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements.

Other information. Due to the District's implementation of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, data from preceding fiscal year(s) has been omitted. A comparative analysis of government-wide data will be presented in future years when the information is comparable and available.

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* that further explains and supports the information in the financial statements.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$826,545 as of June 30, 2016.

Table 1:

NET POSITION

	2016			2015		
	Government	Business Type	Total	Government	Business Type	Total
	Activities	Activities		Activities	Activities	
ASSETS						
Current and Other Assets	2,082,451		2,082,451	1,815,734		1,815,734
Capital Assets-Net	4,051,067		4,051,067	4,299,495		4,299,495
Deferred Outflows	599,480		599,480	212,094		212,094
Total Assets and Flows	6,732,998		6,732,998	6,327,323		6,327,323
LIABILITIES						
Current and Other Liabilities	5,118,834		5,118,834	4,750,447		4,750,447
Long Term Liabilities	580,000		580,000	630,000		630,000
Deferred Inflows	207,619		207,619	270		270
Total Liabilities and Flows	5,906,453		5,906,453	5,380,717		5,380,717
NET POSITION						
Net Investment in Capital Assets	3,404,047		3,404,047	3,606,735		3,606,735
Restricted for:						
Tabor Reserve	93,300		93,300	86,600		86,600
Multi Year Obligations			-	-		-
Preschool	46,488		46,488	30,688		30,688
Food Service			-	-		-
Debt			-	-		-
Unrestricted	(2,717,290)		(2,717,290)	(2,777,417)		(2,777,417)
	826,545		826,545	946,606		946,606

Investment in governmental fund capital assets (e.g., land, buildings, furniture, and equipment) less any related debt used to acquire those assets that is still outstanding is (\$3,404,047). The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net assets represents resources that are subject to external restrictions on how they may be used. A surplus is not an indication that the District has significant resources available to meet financial obligations next year, but rather the result of having *long-term* commitments that are less than currently available resources.

Governmental activities. The District's total net position decreased by \$120,061. The total cost of all *governmental activities* this year was \$3,371,394. The amount that our taxpayers paid for these activities through property taxes was \$526,187 or 16%.

	Gov Activities	Business Type Activities	Total	Gov Activities	Business Type Activities	Total
Revenues						
Charges for Services	121,199		121,199	99,831		99,831
Operating Grants and Contributions	388,997		388,997	288,111		288,111
Capital Grants and Contributions	14,745		14,745	-		-
Property taxes	526,187		526,187	501,327		501,327
Specific Ownership Taxes	47,235		47,235	45,583		45,583
Equalization	2,049,537		2,049,537	2,052,307		2,052,307
Earnings on investments	5,341		5,341	6,118		6,118
Gain on Sale of Assets				-		-
Other Revenues	129,403		129,403	73,149		73,149
Transfers	-		-	-		-
TOTAL REVENUES	3,282,644		3,282,644	3,066,426	-	3,066,426
Expenses						
Instructional services	1,891,961		1,891,961	2,083,800		2,083,800
Students	65,050		65,050	47,028		47,028
Instructional staff	4,423		4,423	11,370		11,370
District administration	151,527		151,527	154,114		154,114
School administration	173,915		173,915	186,070		186,070
Business	121,932		121,932	115,172		115,172
Operation and maintenance of facilities	388,156		388,156	279,750		279,750
Transportation	161,234		161,234	161,362		161,362
Other	18,484		18,484	37,167		37,167
Community	5,095		5,095	5,638		5,638
Facility				123,018		123,018
Capital outlay						
Interest on Long Term Liabilities	19,886		19,886	60,981		60,981
Food Service	178,538		178,538	183,863		183,863
Issue Costs				32,251		32,251
Pension Expense	191,193		191,193	25,396		25,396
TOTAL EXPENSES	3,371,394		3,371,394	3,506,980	-	3,506,980
Increase (Decrease in Net Position)	(88,750)		(88,750)	(440,554)	-	(440,554)

Table - 3 Governmental Activities by Major Function

	2016		2015	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instructional services	1,891,961	(1,579,280)	2,083,800	(1,901,940)
Students	65,050	(65,050)	47,028	(47,028)
Instructional staff	4,423	(4,423)	11,370	(11,370)
District administration	151,527	(151,527)	154,114	(154,114)
School administration	173,915	(173,915)	186,070	(186,070)
Business	121,932	(121,932)	115,172	(115,172)
Operation and maintenance of facilities	388,156	20,575	(367,581)	279,750
Transportation	161,234	31,551	(129,683)	161,362
Other	18,484	(18,484)	37,167	(37,167)
Community/Facility	5,095	(5,095)	128,656	(128,656)
Food Service	178,538	160,134	(18,404)	183,863
Capital outlay	-	-	-	-
Interest on Long Term Debt	19,886	(19,886)	60,981	(60,981)
Issue Costs			32,251	(32,251)
Pension Amortization	191,193	(191,193)	25,396	(25,396)
Total	3,371,394	(2,846,453)	3,506,980	(3,119,038)

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance – related legal requirements, bond covenants, and segregation for particular purposes.

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unreserved, undesignated fund balance* may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

At the end of the 2016 fiscal year, the District reported combined ending fund balances of \$1,834,630, a increase of \$262,1120. Approximately 91% of this total amount was *unreserved, undesignated fund* balance. The remainder of fund balance is *restricted* or *designated* to indicate that it is not available for new spending because it has already been committed for emergencies (\$93,300) and reserve expenditures, (\$20,000) for preschool grant and (\$100,000) for retirement obligations.

The general fund is the primary operating fund of the District. In 2016, the unreserved, undesignated fund balance of the General Fund was 1,677,862, while the total fund balance was 1,834,630. As a measure of the general fund's liquidity, it may be useful to compare both unreserved, undesignated fund balance and total fund balance to the total fund expenditures.

The fund balance of the District's General Fund increased by \$262,112 during the 2016 fiscal year.

Special Revenue funds. As mentioned earlier, the District's special revenue funds provide the same type of information found in the government-wide financial statements, but in more detail. The ending net assets on June 30, 2016 were \$16,146.

Budgetary Highlights

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2016, amounted to \$8,174,391 with an accumulated depreciation of (\$4,140,344) on capital assets including land, buildings and improvements, and furniture and equipment.

	Governmental <u>2015-2016</u>	Total <u>2015-2016</u>	Governmental <u>2014-2015</u>	Total <u>2014-2015</u>
Land	120,772	120,772	120,772	120,772
Buildings & Site Improvements	3,642,033	3,642,033	3,847,677	3,847,677
Equipment and Vehicles	258,254	258,254	317,280	317,280
Food Service	12,988	12,988	1,006	1,006
Total Capital Assets	<u>4,034,047</u>	<u>4,034,047</u>	<u>4,286,735</u>	<u>4,286,735</u>

Long-term debt. At the end of June 30, 2016, the District had no bonded debt. But a ten year Certificate of Participation was begun on July 1, 2015, with a principal payment of \$50,000 and interest of \$18,612.50 due for 16-17.

Changes in Long Term Debt

	Balance 7/1/2015	Additions	Deletions	Balance 6/30/2016
Certificates Of Participation Series 2015	680,000.00	-	50000	630,000
Deferred Refunding	(32,251.00)			(32,251)
Compensated Absences	38,957	-	13,594	25,363
	<u>686,706</u>	<u>-</u>	<u>63,594</u>	<u>623,112</u>

Information for the McClave School District regarding this report is listed below.

Primary Contact: Terry Weber, Superintendent
 Address: P.O. Box 1
 McClave, CO 81057
 Phone Number: (719) 829-4517

BASIC FINANCIAL STATEMENTS

McCLAVE SCHOOL DISTRICT NUMBER RE-2
STATEMENT OF NET POSITION
June 30, 2016

	Governmental Activities	Total
<u>ASSETS</u>		
Cash and Investments	2,024,201	2,024,201
Accounts Receivable	5,400	5,400
Accrued Revenue	-	-
Property Taxes Receivable	52,850	52,850
Prepaid Assets	-	-
Inventories	17,020	17,020
Capital Assets	8,174,391	8,174,391
Accumulated Depreciation	(4,140,344)	(4,140,344)
<u>Total Assets</u>	<u>6,133,518</u>	<u>6,133,518</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
District Contributions Subsequent to Pension Measurement Date	126,976	126,976
Pension Outflows – Plan Level	472,504	472,504
Pension Outflows – Employer Level	-	-
<u>Total Deferred Outflow of Resources</u>	<u>599,480</u>	<u>599,480</u>
<u>LIABILITIES</u>		
Accounts Payable	36,750	36,750
Accrued Salaries and Benefits	195,091	195,091
Accrued Interest Payable	1,610	1,610
Compensated Absences	25,363	25,363
Net Pension Obligation	4,810,020	4,810,020
Debt – Current	50,000	50,000
Debt – Long Term	580,000	580,000
<u>Total Liabilities</u>	<u>5,698,834</u>	<u>5,698,834</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension Inflows – Plan Level	68,174	68,174
Pension Inflows – Employer Level	139,445	139,445
<u>Total Deferred Inflow of Resources</u>	<u>207,619</u>	<u>207,619</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	3,404,047	3,404,047
Restricted for:		
TABOR Reserve	93,300	93,300
Preschool	46,488	46,488
Food Service	16,146	16,146
Unrestricted	(2,733,436)	(2,733,436)
<u>TOTAL NET POSITION</u>	<u>826,545</u>	<u>826,545</u>

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

	Program Revenues			Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position Primary Government	
Expenses	Charges for Services	Operating Grants & Contributions	Operating Grants & Contributions	Governmental Activities	Total	
FUNCTIONS						
Instructional Services	1,891,961	21,619	291,062	-	(1,579,280)	(1,579,280)
Supporting Services:						
Students	65,050	-	-	-	(65,050)	(65,050)
Instructional Staff	4,423	-	-	-	(4,423)	(4,423)
District Administration	151,527	-	-	-	(151,527)	(151,527)
School Administration	173,915	-	-	-	(173,915)	(173,915)
Business	121,932	-	-	-	(121,932)	(121,932)
Operation & Maintenance Of Facilities	388,156	20,575	-	-	(367,581)	(367,581)
Transportation	161,234	31,551	-	-	(129,683)	(129,683)
Other	18,484	-	-	-	(18,484)	(18,484)
Community Facility	5,095	-	-	-	(5,095)	(5,095)
Food Service	178,538	47,454	97,935	14,745	(18,404)	(18,404)
Capital Outlay	-	-	-	-	-	-
Interest on Long Term Liabilities	19,886	-	-	-	(19,886)	(19,886)
Pension Expense	191,193	-	-	-	(191,193)	(191,193)
Total Governmental Activities	3,371,394	121,199	388,997	14,745	(2,846,453)	(2,846,453)
General Revenues						
Property Taxes Levied for General Purposes				526,187		526,187
Specific Ownership Taxes				47,235		47,235
Equalization				2,049,537		2,049,537
Earnings on Investments				5,341		5,341
Other Revenues				129,403		129,403
Total General Revenues				2,757,703		2,757,703
Change in Net Position				(88,750)		(88,750)
Net Position, Beginning				946,606		946,606
Prior Period Correction				(31,311)		(31,311)
Net Position, Ending				826,545		826,545

The accompanying notes are an integral part of these financial statements

McCLAVE SCHOOL DISTRICT NUMBER RE-2
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	<u>General</u>	<u>Food Service</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash	1,951,726	72,475	2,024,201
Accounts Receivable	5,400	-	5,400
Accrued Revenue	-	-	-
Due From Other Funds	64,467	-	64,467
Prepaid Assets	-	-	-
Property Taxes Receivable	52,850	-	52,850
Inventories	-	17,020	17,020
<u>Total Assets</u>	<u>2,074,443</u>	<u>89,495</u>	<u>2,163,938</u>
<u>LIABILITIES</u>			
Accounts Payable	36,750	-	36,750
Accrued Salaries	186,209	8,882	195,091
Due To Other Funds	-	64,467	64,467
Other Payables	-	-	-
<u>Total Liabilities</u>	<u>222,959</u>	<u>73,349</u>	<u>296,308</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Property Taxes	<u>33,000</u>	<u>-</u>	<u>33,000</u>
<u>FUND BALANCES:</u>			
Nonspendable:			
Inventories	-	17,020	17,020
Restricted:			
Emergencies	93,300	-	93,300
Preschool	46,448	-	46,448
Food Service	-	-	-
Unassigned	<u>1,678,736</u>	<u>(874)</u>	<u>1,677,862</u>
<u>Total Fund Balances</u>	<u>1,818,484</u>	<u>16,146</u>	<u>1,834,630</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>			
	<u>2,074,443</u>	<u>89,495</u>	<u>2,163,938</u>

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 June 30, 2016

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

<u>Total Fund Balance – Governmental Funds</u>	1,834,630
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$8,174,391 and the accumulated depreciation is \$4,140,344.	4,034,047
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” All of the deferred property tax revenue is not available.	33,000
Compensated absences are not reported as a liability in the funds.	(25,363)
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(630,000)
Accrued interest on long term debt is not reported in the funds.	(1,610)
The District’s portion of the net pension obligation for PERA is reported on the statement of net position is not reported as a liability in the funds.	(4,810,020)
Deferred flows for contributions made toward the net pension obligation from December 31, 2015 until June 30, 2016 is not reported in the funds.	126,976
Deferred pension flows for differences in projected and actual activity are not reported in the funds.	<u>264,885</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>826,545</u>

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	<u>General</u>	<u>Food Service</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Property Taxes	528,187	-	528,187
Specific Ownership Taxes	47,235	-	47,235
Earnings on Investments	5,257	84	5,341
Other Local Sources	200,347	62,199	262,546
State Aid	2,262,552	2,915	2,265,467
Federal Aid	80,848	95,020	175,868
Allocation to Reserves	-	-	-
<u>Total Revenues</u>	<u>3,124,426</u>	<u>160,218</u>	<u>3,284,644</u>
<u>EXPENDITURES</u>			
<u>Current:</u>			
Instructional Services	1,662,250	-	1,662,250
Supporting Services:			
Students	65,050	-	65,050
Instructional Staff	4,423	-	4,423
District Administration	151,527	-	151,527
School Administration	173,915	-	173,915
Business	121,932	-	121,932
Operation & Maintenance of Facilities	411,920	-	411,920
Transportation	116,105	-	116,105
Other	18,484	-	18,484
Community Service	5,095	-	5,095
Facilities	-	-	-
Food Service	-	190,520	190,520
Debt Service:			
Principal Retirement	50,000	-	50,000
Interest and Fiscal Charges	20,000	-	20,000
Capital Outlay	-	-	-
<u>Total Expenditures</u>	<u>2,800,701</u>	<u>190,520</u>	<u>2,991,221</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>323,725</u>	<u>(30,302)</u>	<u>293,423</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	(55,000)	55,000	-
<u>Total Other Financing Sources (Uses)</u>	<u>(55,000)</u>	<u>55,000</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>268,725</u>	<u>24,698</u>	<u>293,423</u>
<u>FUND BALANCE – Beginning</u>	<u>1,581,070</u>	<u>(8,552)</u>	<u>1,572,518</u>
<u>PRIOR PERIOD CORRECTION</u>	<u>(31,311)</u>	<u>-</u>	<u>(31,311)</u>
<u>FUND BALANCES – Ending</u>	<u>1,818,484</u>	<u>16,146</u>	<u>1,834,630</u>

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2016

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

Net Change in Fund Balances – Total Governmental Funds 293,423

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more the \$5,000 are capitalized and the cost is allocated over their estimated used lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays more than \$5,000	44,210	
Net Deletions	-	
Depreciation Expense	<u>(296,898)</u>	(252,688)

Property tax revenues are not recognized for amounts levied and due but not “available” at year end and are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues decreased this year. (2,000)

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences decreased by this amount. 13,594

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:

Debt Payments		50,000
Accrued Interest		114

The statement of activities reports net pension obligations which is not reported in the fund financial statements.

Change in Net Pension Obligation		(371,230)
Deferred Flows from Net Pension Obligation		<u>180,037</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (88,750)

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
STATEMENT OF FIDUCIARY NET POSITION
PUPIL ACTIVITY AGENCY FUND
June 30, 2016

	<u>Pupil Activity</u>
<u>ASSETS</u>	
Cash	134,970
<u>Total Assets</u>	<u>134,970</u>
<u>LIABILITIES</u>	
Accounts Payable	3,090
Deposits Held for Others	131,880
<u>Total Liabilities</u>	<u>134,970</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

McCLAVE SCHOOL DISTRICT NUMBER RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the McClave School District Number RE-2 (the District) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

The District operates under an elected Board of Education with five members.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in McClave School District Number RE-2. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A. Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14 (as amended by Statements No. 34, No. 39 and No. 61), "*The Financial Reporting Entity*" (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This District is not included in any other governmental "reporting entity" as defined in GASB No. 14 and does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

The 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 District. For the most part, the effect of interfund activity has been removed from these statements. Governmental 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 with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the District's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and unrestricted fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Amounts reported as program revenues included 1) charges to customers or applicants for goods, services or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

All governmental fund types use 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. Revenues are considered to be available if collected within 60 days after year-end.

Property taxes are reported as receivables and deferred inflows when levied and as revenues when due for collection in the following year and determined to be available.

Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts.

Expenditures are recorded when the related fund liability is incurred with the exception of general obligation and capital lease debt service which is recognized when due and certain accrued sick and personal pay which are accounted for as expenditures when expected to be liquidated with expendable available financial resources.

The proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets and all liabilities associated with their activity are included on their statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred flows, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

- Major Governmental Funds
 1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
 2. Food Service – this fund accounts for all financial activities associated with the District's school breakfast and lunch programs

Additionally, the District reports the following fund type:

The Pupil Activity Agency Fund – this fund is used to account for the activities of student clubs and organizations held in a fiduciary capacity by the District.

E. Cash and Investments

Cash represents amounts on deposit with financial institutions or held by the District. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, and U.S. Treasury Obligations. The District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments are recorded at fair value in accordance with GASB Statement No. 72 *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

F. Receivables

Property taxes levied in 2015 but uncollected in 2016 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2016 are recorded as deferred inflows. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventories

Materials and supplies inventories are stated at cost. Inventories recorded in the Food Services Fund consist of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt.

The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed.

H. Capital Assets

Capital assets, which include property, vehicles and equipment, are utilized for general District operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of the governmental fund types are sold, the proceeds of the sale are recorded as revenues in the appropriate fund. The District does not capitalize interest on the construction of capital assets in governmental funds. However, the District does capitalize interest on the construction of capital assets in business-type activities.

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-50 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Constitutional Amendment

In November 1992, Colorado voters approved Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations, which apply to the State of Colorado and local governments. It requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to any entity.

In November of 1997 the registered voters approved a ballot resolution authorizing McClave School District Number RE-2 to collect, retain and expend all revenues collected during 1996 and any subsequent year from any source provided that no property tax mill levy be increased or any new tax imposed without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2016 the District reserved \$93,300 for this purpose.

Spending and revenue limits are determined based on the prior fiscal year's spending adjusted for inflation in the prior calendar year plus annual increases in funded student enrollment. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions.

K. Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2015 property tax calendar for Bent County was as follows:

Levy Date	December 15, 2015
Lien Date	January 1, 2016
Tax Bills Mailed	January 1, 2016
First Installment Due	February 28, 2016
Second Installment Due	June 15, 2016
If Paid in Full, Due	April 30, 2016
Tax Sale – 2014 Delinquent Property Taxes	October 25, 2015

L. Use of Estimates

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Interest Expense

All interest expense has been reported as unallocated in the Government-wide financial statements.

N. GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Directors (the District's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The District's Committed Fund Balance is fund balance reporting required by the School Board, either because of a School Board Policy in the School Board Policy Manual, or because of motions that passed at School Board meetings.

Assigned Fund Balance Policy:

The District's Assigned Fund Balance is fund balance reporting occurring by School Board Administration authority, under the direction of the Chief Business Officer.

Order of Fund Balance Spending Policy

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)

Order of Fund Balance Spending Policy (Continued)

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Food Service</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>	-	17,020	17,020
<u>Restricted:</u>			
Emergencies	93,300	-	93,300
Preschool	46,448	-	46,448
<u>Unassigned</u>	<u>1,678,736</u>	<u>(874)</u>	<u>1,677,862</u>
 <u>Total Fund Balances</u>	 <u>1,818,484</u>	 <u>16,146</u>	 <u>1,834,630</u>

O. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

<u>Items Eliminated</u>	<u></u>
Interfund Loans	64,467
Transfers	<u>55,000</u>
	<u>119,467</u>

NOTE 3 BUDGETARY INFORMATION

Revenues and expenditures are controlled by budgetary accounting systems in accordance with various legal requirements. The budgeted revenues and expenditures represent the original adopted budget as subsequently adjusted by the Board of Education in accordance with Colorado School Laws. Budgets are generally prepared on the same basis as that used for accounting purposes.

The District has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration should be employed as a management control device during the year for the General Fund, Special Revenue Funds, and Enterprise Funds.
6. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets have been adopted for Trust and Agency Funds although measurement of operations is not required in the financial statements.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 3 BUDGETARY INFORMATION (Continued)

All appropriations lapse at the end of each fiscal year. Authorization to transfer budgeted amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent of Schools and may be delegated to an appropriate level of management. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education.

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year.

NOTE 4 CASH AND INVESTMENTS

Deposits

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government 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 determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

At June 30, 2016, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	1,900,518	1,923,250
Cash with County Treasurer	7,953	-
Cash on Hand	700	-
<u>Total Cash and Deposits</u>	<u>2,159,171</u>	<u>2,173,250</u>

As presented above, deposits with a bank balance of \$1,923,250 and a carrying balance of \$1,900,518 as of June 30, 2016 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>Governmental Activities</u>				
<u>Capital Assets Not Being</u>				
<u>Depreciated</u>				
Land	<u>120,772</u>	<u>-</u>	<u>-</u>	<u>120,772</u>
<u>Capital Assets Being</u>				
<u>Depreciated</u>				
Buildings & Site Improvements	6783,029	14,196	-	6,797,225
Equipment & Vehicles	1,227,760	14,863	70,889	1,171,734
Food Service	<u>72,329</u>	<u>15,151</u>	<u>2,820</u>	<u>84,660</u>
<u>Total Capital Assets Being</u>				
<u>Depreciated</u>	<u>8,083,118</u>	<u>44,210</u>	<u>73,709</u>	<u>8,053,619</u>
<u>Less Accumulated</u>				
<u>Depreciation for:</u>				
Building & Site Improvements	2,935,352	219,840	-	3,155,192
Equipment & Vehicles	910,480	73,889	70,889	913,480
Food Service	<u>71,323</u>	<u>3,169</u>	<u>2,820</u>	<u>71,672</u>
<u>Total Accumulated</u>				
<u>Depreciation</u>	<u>3,917,155</u>	<u>296,898</u>	<u>73,709</u>	<u>4,140,344</u>
<u>Total Capital Assets Being</u>				
<u>Depreciated, Net</u>	<u>4,165,963</u>	<u>(252,688)</u>	<u>-</u>	<u>3,913,275</u>
<u>Governmental Activities</u>				
<u>Capital Assets, Net</u>	<u>4,286,735</u>	<u>(252,688)</u>	<u>-</u>	<u>4,034,047</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

<u>Governmental Activities:</u>	
Instruction	248,600
Transportation	45,129
Food Service	<u>3,169</u>
<u>Total Depreciation Expense – Governmental Activities</u>	<u>296,898</u>

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 6 ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, and June 30, 2016, are estimated to be \$195,091. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

NOTE 7 ACCUMULATED SICK LEAVE

Compensated absences are made up of accumulated sick leave reported as non-current liabilities in the government-wide financial statements. As of June 30, 2016 the District has recorded an estimated liability of \$25,363 relating to accrued sick leave payable.

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Accumulated Sick Leave	<u>38,957</u>	<u>-</u>	<u>13,594</u>	<u>25,363</u>

McCLAVE SCHOOL DISTRICT NUMBER RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 8 PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. McClave School District Number RE-2 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 McClave School District Number RE-2 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/investment/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. 24-51-601, 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.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 8 PENSION PLAN (Continued)

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance 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 and all benefit recipients of the DPS benefit structure 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.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 8 **PENSION PLAN (Continued)**

Contributions. Eligible employees and McClave School District Number RE-2 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 31, 2015	For the Year Ended December 31, 2016
Employer Contribution Rate	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)	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. 24-51-411	4.20%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-411	4.00%	4.50%
Total Employer Contribution Rate to the SCHDTF	17.33%	18.13%

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 McClave School District Number RE-2 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from McClave School District Number RE-2 were \$246,776 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 McClave School District Number RE-2 reported a liability of \$4,810,020 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 McClave School District Number RE-2 proportion of the net pension liability was based on McClave School District Number RE-2 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 McClave School District Number RE-2 proportion was 0.0314 percent, which was a decrease of 0.0013 from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the McClave School District Number RE-2 recognized pension expense of \$191,193. At June 30, 2016, the McClave School District Number RE-2 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 8 **PENSION PLAN (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	63,517	(200)
Changes of assumptions or other inputs	0	(67,974)
Net difference between projected and actual earnings on pension plan investments	408,987	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	0	(139,445)
Contributions subsequent to the measurement date	126,976	N/A
Total	599,480	(207,619)

\$126,976 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:

Year ended June 30, 2016	
2017	51,320
2018	53,400
2019	76,297
2020	83,868
2021	-
Thereafter	-

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 8 PENSION PLAN (Continued)

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 valuations 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 benefit.
 - 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 most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 8 PENSION PLAN (Continued)

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 increase annually at a rate of 3.9%.
- 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.
- Employer contributions were assumed to be made at 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.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 8 PENSION PLAN (Continued)

- 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 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 McClave School District Number RE-2 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-percent-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	6,235,192	4,810,020	3,624,543

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.

NOTE 8 PENSION PLAN (Continued)

Defined Contribution Pension Plan

Voluntary Investment Program

Plan Description – Employees of the McClave School District Number RE-2 that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA, Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees, PERA issues a publicly available comprehensive annual financial report for the Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2016, program members contributed \$40,047.

Other Post-Employment Benefits

Health Care Trust Fund

Plan Description – The McClave School District Number RE-2 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 McClave School District Number RE-2 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 McClave School District Number RE-2 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 McClave School District Number RE-2 contributions to the HCTF were \$14,195, \$14,229 and \$13,835, respectively equal to their required contributions for each year.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 9 JOINT VENTURE

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

The District has one member on the Board. This Board has final authority for all budgetary and financing of the joint venture. The BOCES by-laws indicate that the entity is to have perpetual existence, but in the event of its dissolution, all assets shall be divided among member school districts on a pro rate basis determined by the BOCES board. The joint venture summary audited financial information as of June 30, 2015, the latest year for which complete information is available, is as follows:

Assets	981,743
Deferred Outflows	141,422
Liabilities	3,407,508
Deferred Inflows	<u>184</u>
Net Position	<u>(2,284,527)</u>
Revenues	2,552,237
Expenses	<u>2,445,378</u>
Change in Net Position	<u>106,859</u>

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES. The BOCES is audited annually and files a report with the Colorado State Auditor.

NOTE 10 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

The District belongs to the Colorado School District's Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime, Workers' Compensation and other coverage. The Board of Directors is composed of eight persons; seven of whom are appointed by the Board of Directors of CASB and the Executive Director of CASB. The Pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

As the District did not exercise oversight responsibility nor have sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool is recorded as Expenditures in the fund from which they are paid.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 10 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2016.

An audited summary of the Colorado School District's Pool financial information at December 31, 2015 (latest information available) follows:

Total Assets	<u>46,958,320</u>
Total Liabilities	<u>22,633,311</u>
Total Equity	<u>24,325,009</u>
Revenue	13,432,892
Underwriting Expenses	<u>16,484,758</u>
Underwriting Gain (Loss)	(3,051,866)
Net Investment Income	663,509
Other Income	<u>-</u>
Net Income (Loss) Before Dividend	(2,388,357)
Dividend	<u>-</u>
Net Income	(2,388,357)
Transfer of Capital Contributions	-
Change in Non Admitted Assets	<u>95,339</u>
Capital Contributions from Members	<u>-</u>
Unassigned Surplus	<u>24,325,009</u>

NOTE 11 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 12 INTERFUND RECEIVABLES AND TRANSFERS

	<u>Due To</u>	<u>Due From</u>
General Fund	-	64,467
Food Service Fund	<u>64,467</u>	<u>-</u>
<u>Total</u>	<u>64,467</u>	<u>64,467</u>

These interfund balances occurred due to expenditures paid on behalf of another fund.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 12 INTERFUND RECEIVABLES AND TRANSFERS (Continued)

Interfund balances are expected to be paid within one year from the date of the financial statements.

<u>Transfers</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	-	55,000
Food Service Fund	<u>55,000</u>	<u>-</u>
<u>Total</u>	<u>55,000</u>	<u>55,000</u>

Transfers were made from the General Fund to the Food Service Fund for the purpose of assisting food service operations.

NOTE 13 INVENTORIES

Food Service Fund inventories at June 30, 2016, amounted to \$17,020. Purchased inventories are state at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 14 LONG TERM DEBT

Changes in Long-Term Debt

	<u>Balance</u> <u>7-1-2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6-30-2016</u>	<u>Current</u> <u>Portion</u>
Certificates of Participation					
Series 2015	680,000	-	50,000	630,000	50,000
Compensated Absences	<u>38,957</u>	<u>-</u>	<u>13,594</u>	<u>25,363</u>	
	<u>718,957</u>	<u>-</u>	<u>63,594</u>	<u>655,363</u>	

Certificates of Participation Refunding Series 2015

On June 1, 2015, the District issued \$680,000 of Certificates of Participation Series 2015 with an average interest rate of 3.03% and paid addition principal of \$615,000 to advance refund \$1,295,000 of outstanding 2007 Certificates of Participation bearing interest rates ranging from 4.09% to 5.00%.

The District completed the advance refunding to reduce the total debt service payments over the next 12 years by \$257,208 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$106,252.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 14 LONG TERM DEBT (Continued)

Below is a schedule of debt service requirements to maturity.

Certificates of Participation Series 2015

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	50,000	18,613	68,613
2018	50,000	17,200	67,200
2019	50,000	15,763	65,763
2020	55,000	14,226	69,226
2021	55,000	12,590	67,590
2022	55,000	10,926	65,926
2023	60,000	9,157	69,157
2024	60,000	7,283	67,283
2025	65,000	5,297	70,297
2026	65,000	3,201	68,201
2027	<u>65,000</u>	<u>1,073</u>	<u>66,073</u>
	<u>630,000</u>	<u>115,329</u>	<u>745,329</u>

NOTE 15 COMPLIANCE WITH BUDGET LAWS

The following condition was noted and may be a violation of Colorado Law:

Expenditures in the Food Service Fund exceeded budgeted amounts by \$8,195.

NOTE 16 PRIOR PERIOD CORRECTION

As a result of a Colorado Department of Education audit of the District's equalization receipts based on student counts and the District's transportation receipts based on bussing routes, the District is required to repay the Department of Education \$31,311 for prior fiscal years. This amount has been recorded as a prior period correction in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

General Fund

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

Food Service Special Revenue Fund - this fund accounts for all financial activities associated with the District's school breakfast and lunch programs.

Pension Trend Data

McCLAVE SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	377,484	377,484	528,187	150,703
Specific Ownership Taxes	52,347	52,347	47,235	(5,112)
Earnings on Investments	25,000	25,000	5,257	(19,743)
Delinquent Taxes & Interest	-	-	1,611	1,611
Other	238,100	259,100	198,736	(60,364)
<u>State Sources</u>				
Equalization	2,224,068	2,224,068	2,049,537	(174,531)
Transportation	31,000	31,000	31,551	551
Vocational Education	-	40,000	51,487	11,487
Special Education	-	-	-	-
Other	30,000	9,000	129,977	120,977
<u>Federal Sources</u>				
Other	109,000	125,000	80,848	(44,152)
<u>Allocation</u>	<u>(6,000)</u>	<u>(14,287)</u>	<u>-</u>	<u>14,287</u>
<u>TOTAL REVENUES</u>	<u>3,080,999</u>	<u>3,128,712</u>	<u>3,124,426</u>	<u>(4,286)</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
<u>Regular Programs</u>				
Salaries	1,162,800	1,212,800	1,026,941	185,859
Employee Benefits	405,500	405,500	377,504	27,996
Purchased Services - Professional	78,000	78,000	68,982	9,018
Purchased Services – Property	2,500	2,500	(64)	2,564
Purchased Services – Other	45,500	45,500	37,791	7,709
Supplies and Materials	64,400	64,400	147,641	(83,241)
Property	22,500	22,500	3,455	19,045
Other Objects	-	-	-	-
<u>Total Instruction</u>	<u>1,781,200</u>	<u>1,831,200</u>	<u>1,662,250</u>	<u>168,950</u>
<u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	19,000	19,000	29,959	(10,959)
Employee Benefits	4,000	4,000	11,069	(7,069)
Purchased Services – Professional	10,000	10,000	21,891	(11,891)
Purchased Services –Property	-	-	-	-
Purchased Services – Other	-	-	882	(882)
Supplies and Materials	1,500	1,500	1,249	251
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Student Services</u>	<u>34,500</u>	<u>34,500</u>	<u>65,050</u>	<u>(30,550)</u>

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016

<u>SUPPORTING SERVICES (Continued)</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance -</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
<u>Instructional Staff</u>				
Salaries	7,000	7,000	750	6,250
Employee Benefits	2,200	2,200	173	2,027
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	3,000	3,000	3,500	(500)
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Instructional Staff</u>	<u>12,200</u>	<u>12,200</u>	<u>4,423</u>	<u>7,777</u>
<u>General Administration</u>				
Salaries	95,000	95,000	104,932	(9,932)
Employee Benefits	25,000	25,000	29,397	(4,397)
Purchased Services – Professional	500	500	4,406	(3,906)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	11,000	11,000	10,795	205
Supplies and Materials	2,000	2,000	1,997	3
Property	500	500	-	500
Other Objects	-	-	-	-
<u>Total General Administration</u>	<u>134,000</u>	<u>134,000</u>	<u>151,527</u>	<u>(17,527)</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	117,000	117,000	121,834	(4,834)
Employee Benefits	40,000	40,000	45,749	(5,749)
Purchased Services – Professional	1,000	1,000	12	988
Purchased Services – Property	-	-	-	-
Purchased Services – Other	500	500	1,045	(545)
Supplies and Materials	6,000	6,000	5,275	725
Property	1,000	1,000	-	1,000
Other Objects	-	-	-	-
<u>Total School Administration</u>	<u>165,500</u>	<u>165,500</u>	<u>173,915</u>	<u>(8,415)</u>
<u>Business Services</u>				
Salaries	43,000	43,000	44,193	(1,193)
Employee Benefits	16,000	16,000	16,419	(419)
Purchased Services – Professional	17,000	17,000	12,284	4,716
Purchased Services – Property	-	-	-	-
Purchased Services – Other	19,000	19,000	40,659	(21,659)
Supplies and Materials	1,500	1,500	1,698	(198)
Property	1,000	1,000	-	1,000
Other Objects	-	-	6,679	(6,679)
<u>Total Business Services</u>	<u>97,500</u>	<u>97,500</u>	<u>121,932</u>	<u>(24,432)</u>

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 GENERAL FUND

For the Year Ended June 30, 2016

SUPPORTING SERVICES (Continued)	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Operations and Maintenance</u>				
Salaries	99,000	99,000	92,700	6,300
Employee Benefits	38,000	38,000	41,487	(3,487)
Purchased Services – Professional	40,000	40,000	48,209	(8,209)
Purchased Services – Property	10,000	10,000	12,247	(2,247)
Purchased Services – Other	25,000	25,000	23,480	1,520
Supplies and Materials	160,000	160,000	166,533	(6,533)
Property	8,000	8,000	27,264	(19,264)
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>380,000</u>	<u>380,000</u>	<u>411,920</u>	<u>(31,920)</u>
<u>Student Transportation</u>				
Salaries	39,000	39,000	40,585	(1,585)
Employee Benefits	18,000	18,000	18,117	(117)
Purchased Services – Professional	9,000	9,000	14,546	(5,546)
Purchased Services – Property	14,000	14,000	250	13,750
Purchased Services – Other	9,500	9,500	8,083	1,417
Supplies and Materials	40,000	40,000	34,524	5,476
Property	28,000	28,000	-	28,000
Other Objects	-	-	-	-
<u>Total Student Transportation</u>	<u>157,500</u>	<u>157,500</u>	<u>116,105</u>	<u>41,395</u>
<u>Other Support</u>				
Salaries	25,000	25,000	14,359	10,641
Employee Benefits	6,000	6,000	4,125	1,875
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	-	-	-	-
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Other Support</u>	<u>31,000</u>	<u>31,000</u>	<u>18,484</u>	<u>12,516</u>
<u>Community Services</u>				
Salaries	3,000	3,000	2,070	930
Employee Benefits	1,000	1,000	816	184
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	-	-	2,209	(2,209)
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Community Services</u>	<u>4,000</u>	<u>4,000</u>	<u>5,095</u>	<u>(1,095)</u>

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Facilities</u>				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	-	-	-	-
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Facilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>TOTAL SUPPORTING SERVICES</u>	 <u>1,016,200</u>	 <u>1,016,200</u>	 <u>1,068,451</u>	 <u>(52,251)</u>
 <u>Debt Service:</u>				
Principal Retirement	55,000	55,000	50,000	5,000
Interest and fiscal charges	<u>10,000</u>	<u>10,000</u>	<u>20,000</u>	<u>(10,000)</u>
	<u>65,000</u>	<u>65,000</u>	<u>70,000</u>	<u>(5,000)</u>
 <u>Appropriated Reserves</u>	 <u>2,049,067</u>	 <u>1,797,381</u>	 <u>-</u>	 <u>1,797,381</u>
 <u>TOTAL EXPENDITURES</u>	 <u>4,911,467</u>	 <u>4,709,781</u>	 <u>2,800,701</u>	 <u>1,909,080</u>
 <u>Revenues Over (Under) Expenditures</u>	 <u>(1,830,468)</u>	 <u>(1,581,069)</u>	 <u>323,725</u>	
 <u>Other Financing Sources (Uses)</u>				
Transfers	<u>(35,000)</u>	<u>-</u>	<u>(55,000)</u>	<u>(55,000)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(35,000)</u>	<u>-</u>	<u>(55,000)</u>	<u>(55,000)</u>
 <u>Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</u>	 <u>(1,865,468)</u>	 <u>(1,581,069)</u>	 <u>268,725</u>	
 <u>FUND BALANCE, July 1</u>	 <u>1,865,468</u>	 <u>1,581,069</u>	 <u>1,581,070</u>	
 <u>PRIOR PERIOD CORRECTIONS</u>	 <u>-</u>	 <u>-</u>	 <u>(31,311)</u>	
 <u>FUND BALANCE, June 30</u>	 <u>-</u>	 <u>-</u>	 <u>1,818,484</u>	

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOOD SERVICE – SPECIAL REVENUE FUND
For the Year Ended June 30, 2016

	<u>Budget</u>		<u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Food Sales	23,000	23,000	47,454	24,454
Earnings on Investments	75	75	84	9
Other	1,000	1,000	14,745	13,745
<u>State Sources</u>				
School Lunches	2,150	2,150	2,915	765
<u>Federal Sources</u>				
School Lunches	81,000	81,000	83,864	2,864
Commodities	-	-	11,156	11,156
<u>Total Revenues</u>	<u>107,225</u>	<u>107,225</u>	<u>160,218</u>	<u>52,993</u>
<u>EXPENSES</u>				
Salaries	48,000	57,025	51,074	5,951
Employee Benefits	21,000	21,000	18,053	2,947
Purchased Services – Professional	-	-	1,697	(1,697)
Purchased Services – Property	-	-	-	-
Purchased Services - Other	300	300	-	300
Supplies and Materials	99,000	99,000	88,437	10,563
Capital Outlay	-	-	20,103	(20,103)
Other	-	-	-	-
Commodities	-	-	11,156	(11,156)
Appropriated Reserves	5,000	5,000	-	5,000
<u>Total Expenses</u>	<u>173,300</u>	<u>182,325</u>	<u>190,520</u>	<u>(8,195)</u>
<u>REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>	(66,075)	(75,100)	(30,302)	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	65,975	75,000	55,000	(20,000)
<u>REVENUES AND SOURCES OVER</u>				
<u>(UNDER) EXPENDITURES AND USES</u>	(100)	(100)	24,698	
<u>FUND BALANCE, Beginning</u>	<u>100</u>	<u>100</u>	<u>(8,552)</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>-</u>	<u>16,146</u>	

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 For The Last 10 Fiscal Years (As Available)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset)	.0314%	0.0328%	0.0330%	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$4,810,020	\$4,438,790	\$4,202,533	-	-	-	-	-	-	-
District's covered-employee payroll	\$1,391,648	\$1,395,014	\$1,356,364	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	346%	318%	310%	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	59.2%	62.80%	64.06%	-	-	-	-	-	-	-

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 For The Last 10 Fiscal Years (As Available)

	<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>
Contractually required contributions	\$ 246,776	\$ 235,577	\$ 216,812	\$ 196,709	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (246,776)</u>	<u>\$ (235,577)</u>	<u>\$ (216,812)</u>	<u>\$ (196,709)</u>	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	-	-	-	-	-
District's covered-employee payroll	\$1,391,648	\$1,395,014	\$1,356,364	\$1,304,122	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	17.73%	16.89%	15.98%	15.08%	-	-	-	-	-	-

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

OTHER SCHEDULES

Fiduciary Fund Types

Pupil Activity Agency Fund – This fund is used to account for the activities of student clubs and organizations held in a fiduciary capacity by the District.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 SCHEDULE OF ACTIVITIES - BUDGET AND ACTUAL
 PUPIL ACTIVITY AGENCY FUND
 For the Year Ended June 30, 2016

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>ADDITIONS</u>			
Earnings on Investments	400	120	(280)
Other Local Sources	<u>24,000</u>	<u>116,331</u>	<u>92,331</u>
<u>Total Additions</u>	<u>24,400</u>	<u>116,451</u>	<u>92,051</u>
 <u>DEDUCTIONS</u>			
Activity Expenditures	60,000	120,905	(60,905)
Contingency	<u>100,733</u>	-	<u>100,733</u>
<u>Total Deductions</u>	<u>160,733</u>	<u>120,905</u>	<u>39,828</u>
Net Increase (Decrease) in Deposits Held	(136,333)	(4,454)	
Deposits Held – Beginning of Year	<u>136,333</u>	<u>136,334</u>	
Deposits Held – End of Year	<u> -</u>	<u>131,880</u>	

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

STATE REQUIRED SCHEDULES

Auditor's Integrity Report (Revenues, Expenditures, and Fund Balance by Fund)

Bolded Balance Sheet



Colorado Department of Education
Auditors Integrity Report
 District: 0310 - MC CLAVE RE-2
 Fiscal Year 2015-16
 Colorado School District/BOCES

Fund Type & Number	Revenues, Expenditures, & Fund Balance by Fund		1000 - 5999 Total Revenues & Expenditures & Other Sources		6700-6799 & Prior Per Adj (6880*) Ending Fund Balance	
	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	-	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance	=
Governmental						
10 General Fund	1,539,071		3,014,965	2,741,999	1,812,036	
18 Risk Mgmt Sub-Fund of General Fund	0		0	0	0	
19 Colorado Preschool Program Fund	10,688		54,462	59,701	6,448	
Sub-Total	1,549,758		3,069,427	2,800,701	1,818,484	
11 Charter School Fund	0		0	0	0	
20,26-29 Special Revenue Fund	0		0	0	0	
21 Food Service Spec Revenue Fund	-8,552		215,218	190,520	16,146	
22 Govt Designated-Purpose Grants Fund	0		0	0	0	
23 Pupil Activity Special Revenue Fund	0		0	0	0	
24 Full Day Kindergarten Mill Levy Override	0		0	0	0	
25 Transportation Fund	0		0	0	0	
31 Bond Redemption Fund	0		0	0	0	
39 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	0		0	0	0	
Totals	1,541,206		3,284,644	2,891,220	1,834,630	
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	136,334		116,450	120,905	131,879	
79 GASB 34/Permanent Fund	0		0	0	0	
85 Foundations	0		0	0	0	
Totals	136,334		116,450	120,905	131,879	
						FINAL

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



Colorado Department of Education
Bolded Balance Sheet Report
 District: 0310 - MC CLAVE RE-2
 Fiscal Year 2015-16
 Colorado School District/BOCES

ASSETS	Governmental						Proprietary				Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
Cash and Investments (8100-8104,8111)	1,943,774	0	0	72,475	0	0	0	0	0	134,969	0	2,151,218
Cash with Fiscal Agent (8105)	7,953	0	0	0	0	0	0	0	0	0	0	7,953
Taxes Receivable (8121,8122)	52,850	0	0	0	0	0	0	0	0	0	0	52,850
Interfund Loans Receivable (8131,8132)	64,467	0	6,448	0	0	0	0	0	0	0	0	70,915
Other Receivables (8151-8154,8161)	5,400	0	0	0	0	0	0	0	0	0	0	5,400
Inventories (8171,8172,8173)	0	0	0	17,020	0	0	0	0	0	0	0	17,020
Prepaid Expenses 8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	2,074,443	0	6,448	89,494	0	0	0	0	0	134,969	0	2,305,355

Governmental

Proprietary

Fiduciary

LIABILITIES & FUND EQUITY

	General Funds 10.12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Interfund Payables (7401,7402)	6,448	0	0	64,467	0	0	0	0	0	0	0	0	70,915
Other Payables (7421-7423)	36,750	0	0	0	0	0	0	0	0	0	3,090	0	39,841
Accrued Expenses (7461)	186,208	0	0	8,882	0	0	0	0	0	0	0	0	195,090
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	33,000	0	0	0	0	0	0	0	0	0	0	0	33,000
Total Liabilities	262,407	0	0	73,348	0	0	0	0	0	0	3,090	0	338,845

Fiduciary

Proprietary

Governmental

FUND EQUITY

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	17,020	0	0	0	0	0	0	0	0	17,020
Restricted Fund Balance 6720	40,000	0	0	0	0	0	0	0	0	0	0	0	40,000
TABOR 3% Emergency Reserve 6721	93,300	0	0	0	0	0	0	0	0	0	0	0	93,300
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	6,448	0	0	0	0	0	0	0	0	0	6,448
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	1,678,736	0	0	-874	0	0	0	0	0	0	131,879	0	1,809,741
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	1,812,036	0	6,448	16,146	0	0	0	0	0	0	131,879	0	1,966,509

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	2,074,443	0	6,448	89,494	0	0	0	0	0	0	134,969	0	2,305,355

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
For Each Fund Type:	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes