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CRESTONE CHARTER SCHOOL

CRESTONE, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2016



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DIXON, WALLER & CO., INC.

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CRESTONE CHARTER SCHOOL

FINANCIAL STATEMENTS

JUNE 30, 2016

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Council
Crestone Charter School
Crestone, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crestone Charter School, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School'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 Crestone Charter School, 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 and budgetary comparison information and pension trend data on pages i through vi and 28 through 31 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 Crestone Charter School'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.

Dixon, Waller & Co., P.C.

Trinidad, Colorado
November 30, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Crestone Charter School
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2016

As management of the Crestone Charter School, Saguache County, Colorado, we offer readers of the School's Annual Financial Report this narrative and analysis of the financial activities of the School for the fiscal year ended June 30, 2016.

Financial Highlights

- The assets of the School exceeded its liabilities at the close of the most recent fiscal year by \$4,130,410. Of this amount, the school has a negative *unrestricted net position* balance of \$1,619,984.
- The School's total net position decreased by \$233,541 with School-wide net position totaling \$4,130,410 at the end of the fiscal year. The decrease is minimal.

Overview of the Financial Statements Management's discussion and analysis is intended to serve as an introduction to the School's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements presented are comprised of three components: 1) School-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements.

The School-wide Financial Statements are designed to provide the reader of the School's financial statements a broad overview of the financial activities in a manner similar to a private sector business. The School-wide Financial Statements include the Statement of Net position and the Statement of Activities.

The Statement of Net Position presents information about all of the School's position and liabilities. The difference between assets and liabilities is reported as *net position*. Over time changes in net position may serve as a useful indicator whether the financial position of the School is improving or deteriorating.

The Statement of Activities presents information showing how the net position of the School changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future period.

The School is a component unit of the Moffat Consolidated School District #2. Financial information for the Charter School is presented separately from the primary government because the Charter School is financially accountable to the District and provides services to the School's students.

Other Financial Highlights

The school was required to implement GASB 69 in 2015. The net pension liability for 2016 was \$2,691,116. Under GASB 68, the School's proportionate share of the net pension liability of the Colorado State Requirement System, the Public Employees Retirement Association, is recorded as a liability of the School.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives.

Governmental funds account for essentially the same information reported in the *governmental activities* of the School-wide financial statements. However, unlike the School-wide statements, the 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 the financing requirements in the near term.

Since the *governmental funds* and the *governmental activities* report information using the same functions, it is useful to compare the information presented.

The School maintains two different governmental funds. Both funds are classified as major funds. They are the general fund and the capital projects fund. They are presented separately in the fund financial statements.

The School adopts an annual appropriated budget for each of the governmental funds. A budgetary comparison schedule for the general fund and the capital projects fund are included in the fund financial statements to demonstrate compliance with the adopted budget.

Notes to the Basic Financial Statements: The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

School-wide Financial Analysis

School-wide Net Position. The assets of the School are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenditures are current assets. These assets are available to provide resources for the near-term operations of the School. The majority of the current assets are cash and receivables.

Capital assets are used in the operations of the School. These assets are land improvements, building improvements, equipment, and construction in progress. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, interest payable, and current debt obligations. The liquidation of current liabilities is anticipated to be either from current available resources, current assets or new resources that become available during fiscal 2016-2017.

The assets of the primary government activities exceed liabilities by \$4,130,410 with an unrestricted net position deficit of \$233,541. Total net position of the primary government do not include internal balances. (Table A-1)

The legally required TABOR reserve has been recorded by the School's chartering district.

Table A-1 Statement of Net Position 2015-2016 and 2014-2015

	Governmental Activities	Total 2016	Governmental Activities	Total 2015
Current, other assets and Deferred Outflows	1,348,718	1,348,718	744,795	744,795
Non-current assets	0	0	850	850
Capital Assets	5,624,694	5,624,694	5,786,767	5,786,767
Total Assets	6,973,412	6,973,412	6,532,412	6,532,412
Liabilities and Deferred Inflows	2,843,002	2,843,002	2,168,461	2,168,461
NET Position				
Investment in Capital Assets	5,624,694	5,624,694	5,786,767	5,786,767
Restricted	125,700	125,700	100,200	100,200
Unrestricted	-1,619,984	-1,619,984	-1,523,016	-1,523,016
Total Net Position	4,130,410	4,130,410	4,363,951	4,363,951

Table A-2 Statement of Activities for 2015-2016 and 2014-2015

Expenditures	Expenses 2016	Grants&Contrib 2016	Total 2016	Expenses 2015	Grants&Contrib 2015	Total 2015
Instruction	720,926	60,888	660,038	843,947	64,349	779,598
Student Support	55,450		55,450	55,531		55,531
Instructional Staff	23,308		23,308	2,909		2,909
General & Admin	189,016		189,016	235,969		235,969
School Admin	183,395		183,395	189,498		189,498
Operations & Maintenance	76,161		76,161	82,285		82,285
Student Transport	16,868		16,868	15,023		15,023
Central Support	48,098		48,098	48,891		48,891
Capital Outlay	24,606	25,927	-1,321	9,361	9,950	-589
Pension Amortization	184,753		184,753	11,632		11,632
Total	1,522,581	86,815	1,435,766	1,495,046	74,299	1,420,747

Table A-3 Statement of Revenues 2016

Revenues	2016	2015
Local Sources	146	13,236
State Sources	0	0
Federal Sources	148,203	0
Allocated From Moffat School	1,109,722	1,264,004
Total Revenues	1,258,071	1,277,240

Governmental

Changes in Net Position

The Crestone Charter School revenues totaled \$1,349,804. Governmental funding totals 97% with 3% from local sources. (See table A-3). This is \$1,735 less than in 2015.

The Crestone Charter School's total cost of services and programs was \$1,190,005. These expenses cover a range of services, encompassing Instruction, District services and fees, Administration and support services. This is \$124,443 less than 2015's total cost of services and programs (\$1,314,448).

Financial Analysis of the School's Governmental Funds

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

The governmental funds of the School provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the School's financing requirements. Unassigned fund balance, in particular, measures the School's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the School.

The capital projects fund accounts for spending of monies set aside for projects related to building needs, vehicle purchases, land purchases or equipment.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget can be briefly summarized as follows:

- The per pupil allocation from the District decreased due to a decrease in enrollment of 11.5 FTE students.

Capital Assets and Debt Administration

The School's investment in capital assets for its governmental and business-type activities as of June 30, 2016 decreased to \$5,624,694. The decrease in activities is a result of the accumulated depreciation and the sale of 3 vans.

Capital Assets

Governmental Activities

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
<u>Non-Depreciable Assets:</u>				
Land	448,458			448,458
<u>Depreciable Assets</u>				
Building & Site improvements	5,736,508		21,000	5,715,508
Equipment & Vehicles	209,084		66,960	142,124
<u>Total Depreciable Assets</u>	<u>5,945,592</u>		<u>87,960</u>	<u>5,857,632</u>
<u>Less Depreciable Assets</u>				
<u>Depreciation for:</u>				
Building & Site Improvements	439,604	143,228	10,350	572,482
Equipment & Vehicles	167,679	4,595	63,360	108,914
<u>Total Accumulated Depreciation</u>	<u>607,283</u>	<u>147,823</u>	<u>73,710</u>	<u>681,396</u>
<u>Depreciable Assets net</u>	<u>5,338,309</u>	<u>(147,823)</u>	<u>14,250</u>	<u>5,176,236</u>
<u>Total Capital Assets, Net</u>	<u>5,786,767</u>	<u>(147,823)</u>	<u>14,250</u>	<u>5,624,694</u>

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

Governmental Activities

Instruction	143,228
Operation and Maintenance	859
Transportation	3,736
<u>Total Depreciation Expense-Governmental Activities</u>	<u>147,823</u>

Governmental Activities

Economic Factors and Next Year's Budgets and Rates

Budget

Each year the School must plan for its future by reviewing the past, adjusting current activities and adopting the next year's budget. The current budget process is to examine all budget lines for significant changes, and adjust for cost increases/decreases based on enrollment and staffing needs. The preliminary budget is presented to the School's Governing Council for approval. The approved budget is sent to the Moffat District for final approval by the Board of Education. When funding is adequate to accommodate increases, and School provides benefit cost increases for all approved staffing. This concept assumes existing staffing ratios are level and non-compensation budgets are continued to the next year unless specifically identified to change in the budget development process.

Requests for Information

This financial report is designed to provide a general overview of the School's finances for all those with an interest in the School. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Marie-Louise Baker, Director, Crestone Charter School, PO Box 400, Crestone, CO 81131

Complete financial statements for the Moffat Consolidated #2 School District may be obtained at the District's offices.

BASIC FINANCIAL STATEMENTS

CRESTONE CHARTER SCHOOL
STATEMENT OF NET POSITION
June 30, 2016

	<u>Primary Government</u>	
	<u>Governmental</u>	<u>Total</u>
<u>ASSETS</u>	<u>Activities</u>	<u>Total</u>
<u>Current Assets</u>		
Cash	675,973	675,973
Accounts Receivable	86,047	86,047
<u>Total Current Asset</u>	<u>762,020</u>	<u>762,020</u>
<u>Capital Assets:</u>		
Land	448,458	448,458
Depreciable Assets	5,857,632	5,857,632
Accumulated Depreciation	(681,396)	(681,396)
<u>Capital Assets Net of Depreciation</u>	<u>5,624,694</u>	<u>5,624,694</u>
<u>TOTAL ASSETS</u>	<u>6,386,714</u>	<u>6,386,714</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>		
Deferred Pension Cost – Plan	264,358	264,358
Deferred Pension Cost – Employer	255,141	255,141
Deferred Pension Cost - Contributions Subsequent to Pension Measurement Date	67,199	67,199
<u>Total Deferred Outflow of Resources</u>	<u>586,698</u>	<u>586,698</u>
 <u>LIABILITIES</u>		
<u>Current Liabilities:</u>		
Accounts Payable	2,021	2,021
Accrued Salaries Payable	67,697	67,697
Unearned Grant Payment	8,864	8,864
<u>Total Current Liabilities</u>	<u>78,582</u>	<u>78,582</u>
<u>Non-Current Liabilities</u>		
Net Pension Liability	2,691,116	2,691,116
<u>Total Non-Current Liabilities</u>	<u>2,691,116</u>	<u>2,691,116</u>
<u>TOTAL LIABILITIES</u>	<u>2,769,698</u>	<u>2,769,698</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>		
Deferred Pension – Plan	38,142	38,142
Deferred Pension – Employer	35,162	35,162
<u>Total Deferred Inflow of Resources</u>	<u>73,304</u>	<u>73,304</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets	5,624,694	5,624,694
Restricted for:		
BEST Grant Renewal	90,000	90,000
TABOR (Emergencies)	35,700	35,700
Unrestricted (Deficit)	(1,619,984)	(1,619,984)
<u>TOTAL NET POSITION</u>	<u>4,130,410</u>	<u>4,130,410</u>

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

CRESTONE CHARTER SCHOOL
STATEMENT OF ACTIVITIES
Fiscal Year Ended June 30, 2016

	Net (Expenses) Revenue and Changes in Net Position				
	Program Revenues		Primary Government		
Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities	Total
<u>FUNCTIONS/PROGRAMS</u>					
Primary Government:					
Governmental Activities					
Instruction	720,926	60,888	-	(660,038)	(660,038)
Student Support	55,450	-	-	(55,450)	(55,450)
Instructional Staff	23,308	-	-	(23,308)	(23,308)
General Administration	189,016	-	-	(189,016)	(189,016)
School Administration	183,395	-	-	(183,395)	(183,395)
Operation & Maintenance	76,161	-	-	(76,161)	(76,161)
Student Transportation	16,868	-	-	(16,868)	(16,868)
Central Support	48,098	-	-	(48,098)	(48,098)
Capital Outlay	24,606	-	25,927	1,321	1,321
Pension Expense	184,753	-	-	(184,753)	(184,753)
Total Governmental Activities	<u>1,522,581</u>	<u>60,888</u>	<u>25,927</u>	<u>(1,435,766)</u>	<u>(1,435,766)</u>
Total Primary Government	<u>1,522,581</u>	<u>60,888</u>	<u>25,927</u>	<u>(1,435,766)</u>	<u>(1,435,766)</u>
General Revenues					
Earnings on Investments				658	658
Non Specific Intergovernmental				148,203	148,203
Other Revenue				4,406	4,406
Gain (Loss) on Disposition of Assets				(4,918)	(4,918)
Charter Per Pupil Revenue				1,109,722	1,109,722
Total General Revenues & Transfers				<u>1,258,071</u>	<u>1,258,071</u>
Changes in Net Position				(177,695)	(177,695)
Net Position, Beginning				4,363,951	4,363,951
Prior Period Adjustment				(55,846)	(55,846)
Net Position, Ending				<u>4,130,410</u>	<u>4,130,410</u>

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

CRESTONE CHARTER SCHOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	Governmental Funds		
	General	Capital Reserve Projects	Total
	Fund	Fund	Governmental Funds
<u>ASSETS</u>			
Cash	554,222	121,751	675,973
Accounts Receivable	<u>86,047</u>	<u>-</u>	<u>86,047</u>
<u>Total Assets</u>	<u>640,269</u>	<u>121,751</u>	<u>762,020</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>			
	-	-	-
 <u>LIABILITIES:</u>			
Accounts Payable	2,021	-	2,021
Accrued Salaries	67,697	-	67,697
Unearned Grant Payments	8,864	-	8,864
Due To Others	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Liabilities</u>	<u>78,582</u>	<u>-</u>	<u>78,582</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>			
	-	-	-
 <u>FUND BALANCES:</u>			
Restricted:			
TABOR (Emergencies)	35,700	-	35,700
BEST Grant Renewal	-	90,000	90,000
Committed:			
Capital Outlay	-	31,751	31,751
Unassigned	<u>525,987</u>	<u>-</u>	<u>525,987</u>
<u>Total Fund Balances</u>	<u>561,687</u>	<u>121,751</u>	<u>683,438</u>
 <u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>			
	<u>640,269</u>	<u>121,751</u>	<u>762,020</u>

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

CRESTONE CHARTER SCHOOL
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO 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>	683,438
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$6,306,090 and the accumulated depreciation is \$681,396.	5,624,694
Net pension liability, along with associated deferred flow, are not recorded at the fund level:	
Net Pension Liability	(2,691,116)
Deferred Pension Cost – Plan	226,216
Deferred Pension Cost – Contributions Subsequent to Pension Measurement Date	67,199
Deferred Pension Cost – Employer	<u>219,979</u>
<u>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</u>	<u>4,130,410</u>

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

CRESTONE CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
Fiscal Year Ended June 30, 2016

	<u>Governmental Funds</u>		Total Governmental Funds
	General Fund	Capital Reserve Capital Projects Fund	
REVENUES:			
Local Sources	46,031	400	46,431
State Sources	35,523	-	35,523
Federal Sources	158,128	-	158,128
Allocated Revenues from Moffat School	<u>1,109,722</u>	<u>-</u>	<u>1,109,722</u>
<u>TOTAL REVENUES</u>	<u>1,349,404</u>	<u>400</u>	<u>1,349,804</u>
EXPENDITURES:			
Current:			
Instructional	<u>577,698</u>	<u>-</u>	<u>577,698</u>
Support Services;			
Student Support	55,450	-	55,450
Instructional Staff	23,308	-	23,308
General Administration	189,016	-	189,016
School Administration	183,395	-	183,395
Operations & Maintenance	75,302	-	75,302
Student Transportation	13,132	-	13,132
Central Support	48,098	-	48,098
Facilities	24,606	-	24,606
Capital Outlay	-	-	-
Pupil Activity	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Support Services</u>	<u>612,307</u>	<u>-</u>	<u>612,307</u>
<u>TOTAL EXPENDITURES</u>	<u>1,190,005</u>	<u>-</u>	<u>1,190,005</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>159,399</u>	<u>400</u>	<u>159,799</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Sale of Capital Assets	9,332	-	9,332
Transfers In (Out)	<u>(30,000)</u>	<u>30,000</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(20,668)</u>	<u>30,000</u>	<u>9,332</u>
<u>REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</u>	138,731	30,400	169,131
<u>FUND BALANCES, Beginning</u>	<u>422,956</u>	<u>91,351</u>	<u>514,307</u>
<u>FUND BALANCES, Ending</u>	<u>561,687</u>	<u>121,751</u>	<u>683,438</u>

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

CRESTONE CHARTER SCHOOL
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 Fiscal 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 169,131

Governmental Funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5000 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	-	
Depreciation Expense	(147,823)	
Disposition of capital assets	<u>(14,250)</u>	(162,073)

The increase in net pension liability, along with the changes and amortizations of deferred flows associated with the net pension liability are not recorded at the fund level:

Change in net pension liability and related deferred flows		(184,753)
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CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES (177,695)

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

CRESTONE CHARTER SCHOOL
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2016

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	<u>12,561</u>
<u>LIABILITIES</u>	
Accounts Payable	-
Due to Student Groups	<u>12,561</u>
<u>Total Liabilities</u>	<u>12,561</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

CRESTONE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Crestone Charter School was formed in 1995, pursuant to the Colorado Charter Schools Act to form and operate a charter school. The school is located in Crestone, Colorado, and its mission is to provide a stimulating experiential program that, in a creatively structured atmosphere, nurtures each student's sense of wonder and natural desire to learn. Emphasizing academic excellence and uniqueness of character, we strive to inspire healthy responsibility in relationship with self, community and environment, both locally and globally.

The School serves students in grades K-12.

The accounting policies of the school conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies.

A. Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14 (as amended by Statement 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.

The School is considered a component unit of Moffat Consolidated School District Number 2 (District), and is includable in the District's basic financial statements. The School is deemed to be fiscally dependent upon the District because the District provides the majority of support to the School in the form of per pupil revenue.

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 School. 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.

CRESTONE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds. Major individual governmental funds (General Fund and Capital Reserve Capital Projects Fund) 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 School'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.

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 to collect within 60 days after year-end.

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 resource.

CRESTONE CHARTER SCHOOL
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)

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

Fiduciary funds are used to account for assets held by the School in a trustee or agency capacity for others that cannot be used to support the School's own programs.

D. Fund Accounting

The accounts of the School 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 school; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
2. Capital Reserve Capital Projects Fund – used to acquire equipment, vehicles, sites and to improve school buildings.

- Fiduciary Funds

1. Trust and Agency Funds – Trust and Agency funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the school's own programs. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

Student Activity Fund – The Student Activity Fund is an agency fund and, therefore, consists only of accounts such as Cash and balancing liability accounts, such as Due to Student Groups. This fund accounts for the transaction of that entity in raising and expending money to promote the general welfare, morale, and educational experiences of the student body.

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.

CRESTONE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. 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 School does not capitalize interest on the construction of capital assets in governmental funds. However, the School does capitalize interest on the construction of capital assets in business-type activities.

The monetary threshold for capitalization of assets is \$5,000. The School's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-40 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition and any remaining depreciation is recorded in the year of disposition.

G. Liabilities

In the government-wide financial statements in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities. The School records long-term debt of governmental funds at the face value. The School does not have a material liability for compensated absences payable at June 30, 2016.

H. 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.

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 School's required TABOR Reserve was \$35,700.

CRESTONE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Constitutional Amendment (Continued)

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.

I. 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.

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

CRESTONE CHARTER SCHOOL
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. GASB Statement No. 54 (Continued)

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

The School'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.

Fund Balance Classification by Fund:

	General Fund	Capital Reserve Capital Projects Fund	Total Governmental Funds
<u>Restricted:</u>			
Emergencies	35,700	-	35,700
BEST Grant Renewal	-	90,000	90,000
<u>Committed:</u>			
Capital Outlay	-	31,751	31,751
<u>Unassigned:</u>	<u>525,987</u>	-	<u>525,987</u>
<u>Total Fund Balances</u>	<u>561,687</u>	<u>121,751</u>	<u>683,438</u>

K. 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.

CRESTONE CHARTER SCHOOL
NOTES TO 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.

Certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities. The items which were eliminated are as follows:

Governmental Funds – Interfund Transfers	\$30,000
--	----------

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 Governing Council in accordance with Colorado School Laws. Budgets are generally prepared on the same basis as that used for accounting purposes.

The School 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 Governing Council 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 Governing Council.

CRESTONE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 3 BUDGETARY INFORMATION (Continued)

5. Formal budgetary integration should be employed as a management control device during the year for the General Fund, Capital Project Funds and Fiduciary Funds.
6. Budgets for the General Fund, Capital Project Funds and Fiduciary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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 Governing Council.

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Governing Council 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 School'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	<u>438,534</u>	<u>492,368</u>
<u>Total Cash and Deposits</u>	<u>688,534</u>	<u>742,368</u>

Deposits and Certificates of Deposit with bank balances of \$492,368 and a carrying balance of \$438,534 as of June 30, 2016 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

CRESTONE CHARTER SCHOOL
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities – Component Unit

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>Non-Depreciable Assets:</u>				
Land	448,458	-	-	448,458
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Non-Depreciable Assets</u>	<u>448,458</u>	<u>-</u>	<u>-</u>	<u>448,458</u>
<u>Depreciable Assets:</u>				
Buildings &				
Site Improvements	5,736,508	-	21,000	5,715,508
Equipment & Vehicles	<u>209,084</u>	<u>-</u>	<u>66,960</u>	<u>142,124</u>
<u>Total Depreciable Asset</u>	<u>5,945,592</u>	<u>-</u>	<u>87,960</u>	<u>5,857,632</u>
<u>Less Accumulated</u>				
<u> Depreciation for:</u>				
Building &				
Site Improvements	439,604	143,228	10,350	572,482
Equipment & Vehicles	<u>167,679</u>	<u>4,595</u>	<u>63,360</u>	<u>108,914</u>
<u>Total Accumulated</u>				
<u>Depreciation</u>	<u>607,283</u>	<u>147,823</u>	<u>73,710</u>	<u>681,396</u>
<u>Depreciable Assets Net</u>	<u>5,338,309</u>	<u>(147,823)</u>	<u>14,250</u>	<u>5,176,236</u>
<u>Total Capital Assets, Net</u>	<u>5,786,767</u>	<u>(147,823)</u>	<u>14,250</u>	<u>5,624,694</u>

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

Governmental Activities:

Instruction	143,228
Operation and Maintenance	859
Transportation	<u>3,736</u>
<u>Total Depreciation Expense – Governmental Activities</u>	<u>147,823</u>

NOTE 6 PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Crestone Charter School 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 Crestone Charter School 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.

CRESTONE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 6 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.

CRESTONE CHARTER SCHOOL
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 6 **PENSION PLAN (Continued)**

Contributions. Eligible employees and Crestone Charter School 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 Crestone Charter School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Crestone Charter School were \$135,749 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 Crestone Charter School reported a liability of \$2,691,116 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 Crestone Charter School proportion of the net pension liability was based on Crestone Charter School 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 Crestone Charter School proportion was 0.0176 percent, which was an increase of 0.0026 from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the Crestone Charter School recognized pension expense of \$184,753. At June 30, 2016, the Crestone Charter School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CRESTONE CHARTER SCHOOL
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 6 PENSION PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	35,537	(112)
Changes of assumptions or other inputs	0	(38,030)
Net difference between projected and actual earnings on pension plan investments	228,821	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	255,141	(35,162)
Contributions subsequent to the measurement date	67,199	N/A
Total	586,698	(73,304)

\$67,199 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	135,583
2018	141,809
2019	121,880
2020	46,923
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

CRESTONE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 6 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:

CRESTONE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 6 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.

CRESTONE CHARTER SCHOOL
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 6 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 Crestone Charter School 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	3,488,473	2,691,116	2,027,864

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 6 PENSION PLAN (Continued)

Defined Contribution Pension Plan

Voluntary Investment Program

Plan Description – Employees of the Crestone Charter School 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 \$1,670.

Other Post-Employment Benefits

Health Care Trust Fund

Plan Description – The Crestone Charter School 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 Crestone Charter School 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 Crestone Charter School 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 Crestone Charter School contributions to the HCTF were \$7,815, \$6,375 and \$6,390, respectively equal to their required contributions for each year.

CRESTONE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 7 RISK MANAGEMENT

The School 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 School 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 8 LITIGATION

None.

NOTE 9 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Claims and Judgments - The School participates in a number of federal, state and local programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. As of June 30, 2016, significant amounts of grant expenditures have not been audited by the grantor but the School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the School.

NOTE 10 PRIOR PERIOD ADJUSTMENT

In the fiscal year ended June 30, 2015, no deferred inflow was recorded for the change in proportion of the District's contributions to PERA in relation to their portion of the net pension liability originally recorded during the implementation of GASB Statements No. 68 and 71. The amount of deferred inflow at June 30, 2015 that should have been recorded was \$55,846. The Statement of Activities reflects the corresponding reduction to entity-wide net position as of that date as a prior period adjustment.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

MAJOR GOVERNMENTAL FUNDS

General Fund

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

CRESTONE CHARTER SCHOOL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>	<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
<u>REVENUES</u>	<u>Original & Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<u>Local Sources</u>			
Earnings on Investments	550	566	16
Local Grants	50,000	41,367	(8,633)
Other Local Sources	<u>36,000</u>	<u>4,098</u>	<u>(31,902)</u>
<u>Total Local Revenues</u>	<u>86,550</u>	<u>46,031</u>	<u>(40,519)</u>
<u>County Sources</u>			
	-	-	-
<u>State Sources</u>			
State Capital Construction Grant	19,750	25,927	6,177
State Counselor Grant	49,383	-	(49,383)
Read Act	5,400	1,427	(3,973)
Gifted and Talented BOCES	-	2,778	2,778
State At Risk Supplemental	-	<u>5,391</u>	<u>5,391</u>
<u>Total State Sources</u>	<u>74,533</u>	<u>35,523</u>	<u>(39,010)</u>
<u>Federal Sources</u>			
REAP Grant	6,428	5,782	(646)
Forest Reserve	75,000	148,203	73,203
BOCES – Title II – A	<u>5,131</u>	<u>4,143</u>	<u>(988)</u>
<u>Total Federal Sources</u>	<u>86,559</u>	<u>158,128</u>	<u>71,569</u>
<u>Allocation from Moffat School</u>	<u>1,038,451</u>	<u>1,109,722</u>	<u>71,271</u>
<u>TOTAL REVENUES</u>	<u>1,286,093</u>	<u>1,349,404</u>	<u>63,311</u>

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

CRESTONE CHARTER SCHOOL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		Variance with
	<u>Original & Final</u>	<u>Actual</u>	Final Budget- Favorable (Unfavorable)
<u>EXPENDITURES</u>			
<u>Instruction</u>	<u>631,779</u>	<u>577,698</u>	<u>54,081</u>
<u>Support Services</u>			
Students	64,643	55,450	9,193
Instructional Staff	7,000	23,308	(16,308)
General Administration	200,768	189,016	11,752
School Administration	182,783	183,395	(612)
Operations & Maintenance	75,927	75,302	625
Student Transportation	14,271	13,132	1,139
Central Support	50,371	48,098	2,273
Facilities	<u>41,375</u>	<u>24,606</u>	<u>16,769</u>
<u>Total Support Services</u>	<u>637,138</u>	<u>612,307</u>	<u>24,831</u>
<u>Appropriated Reserve</u>	<u>540,085</u>	-	<u>540,085</u>
<u>TOTAL EXPENDITURES</u>	<u>1,809,002</u>	<u>1,190,005</u>	<u>618,997</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(522,909)</u>	<u>159,399</u>	
<u>Other Financing Sources (Uses)</u>			
Sale of Capital Assets	-	9,332	9,332
Operating Transfer (Out)	<u>(30,000)</u>	<u>(30,000)</u>	-
<u>Total Other Financing Sources (Uses)</u>	<u>(30,000)</u>	<u>(20,668)</u>	<u>9,332</u>
<u>Revenues Over Expenditures and Other Financing Uses</u>	<u>(552,909)</u>	138,731	
<u>Fund Balance, Beginning</u>	<u>552,909</u>	<u>422,956</u>	
<u>Fund Balance, Ending</u>	<u>-</u>	<u>561,687</u>	

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

CRESTONE CHARTER SCHOOL
 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)	0.0176%	0.0150%	0.0156%	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$2,691,116	\$2,033,004	\$1,989,776	-	-	-	-	-	-	-
District's covered-employee payroll	\$766,210	\$625,001	\$614,218	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	351%	325%	324%	-	-	-	-	-	-	-
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.

CRESTONE CHARTER SCHOOL
 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	\$ 135,749	\$ 105,758	\$ 98,152	\$ 87,268	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(135,749)</u>	<u>\$(105,758)</u>	<u>\$(98,152)</u>	<u>\$(87,268)</u>	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-	-
District's covered-employee payroll	\$ 766,210	\$ 625,001	\$ 614,218	\$ 578,702	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	17.72%	16.92%	15.98%	15.08%	-	-	-	-	-	-

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

Capital Projects Fund

Capital Reserve Capital Projects – used to account for the acquisition of equipment, vehicles and improvement to existing buildings.

NON-MAJOR FUNDS

Fiduciary Fund Types

Agency Fund – Student Activity Fund – This fund is used to account for amounts held in a fiduciary capacity for student clubs and organizations.

CRESTONE CHARTER SCHOOL
 CAPITAL RESERVE CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>REVENUES</u>			
Earnings on Investments	100	92	(8)
Other Local	<u>-</u>	<u>308</u>	<u>308</u>
<u>Total Revenues</u>	<u>100</u>	<u>400</u>	<u>300</u>
 <u>EXPENDITURES</u>			
Building Improvements	30,000	-	30,000
Appropriated Reserve	<u>91,451</u>	<u>-</u>	<u>91,451</u>
<u>Total Expenditures</u>	<u>121,451</u>	<u>-</u>	<u>121,451</u>
<u>Revenues Over (Under) Expenditures</u>	(121,351)	400	
 <u>Other Operating Sources (Uses)</u>			
Operating Transfers In (Out)	<u>30,000</u>	<u>30,000</u>	<u>-</u>
<u>Net Change in Fund Balance</u>	(91,351)	30,400	
<u>FUND BALANCE, Beginning</u>	<u>91,351</u>	<u>91,351</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>121,751</u>	

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

CRESTONE CHARTER SCHOOL
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
BUDGET (GAAP BASIS) AND ACTUAL
FIDUCIARY FUNDS
For The Year Ended June 30, 2016

	<u>Agency Funds</u>		Variance with Final Budget- Favorable (Unfavorable)
	<u>Budgeted Amounts Original & Final</u>	<u>Actual</u>	
<u>ADDITIONS</u>			
Local Receipts	<u>100,000</u>	<u>8,826</u>	<u>(91,174)</u>
<u>DEDUCTIONS</u>			
Disbursements	<u>103,300</u>	<u>1,397</u>	<u>101,903</u>
<u>CHANGES IN DUE TO STUDENT GROUPS</u>	<u>(3,300)</u>	<u>7,429</u>	
<u>DUE TO STUDENT GROUPS, Beginning</u>	<u>3,300</u>	<u>5,132</u>	
<u>DUE TO STUDENT GROUPS, Ending</u>	<u>-</u>	<u>12,561</u>	

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

CRESTONE CHARTER SCHOOL
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 For The Year Ended June 30, 2016

	Balance <u>07-01-2015</u>	<u>Agency Fund</u>		Balance <u>06-30-2016</u>
		<u>Additions</u>	<u>Deductions</u>	
<u>ASSETS</u>				
Cash	<u>5,132</u>	<u>8,826</u>	<u>1,397</u>	<u>12,561</u>
<u>LIABILITIES</u>				
Deposits Held for Others	<u>5,132</u>	<u>8,826</u>	<u>1,397</u>	<u>12,561</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
 Charter School Auditor's Integrity Report
 Colorado School District/BOCES
 District 2800 - MOFFAT 2
 Fiscal Year 2015-16

Revenues, Expenditures, & Fund Balance by Location and Fund

Location (900-969): 950

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	-	0001 - 0999 Total Expenditures & Other Uses	=	6700 - 6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental							
10 General Fund		0	0	0	0		0
18 Risk Mgmt Sub-Fund of General Fund		0	0	0	0		0
19 Colorado Preschool Program Fund		0	0	0	0		0
Sub-Total		0	0	0	0		0
11 Charter-School Fund	422,956		1,328,736		1,190,006		561,687
20.26-29 Special Revenue Fund	0	0	0	0	0		0
21 Food Service Spec Revenue Fund	0	0	0	0	0		0
22 Govt Designated-Purpose Grants Fund	0	0	0	0	0		0
23 Pupil Activity Special Revenue Fund	0	0	0	0	0		0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0	0		0
25 Transportation Fund	0	0	0	0	0		0
31 Bond Redemption Fund	0	0	0	0	0		0
41 Building Fund	0	0	0	0	0		0
42 Special Building Fund	0	0	0	0	0		0
43 Capital Reserve Capital Projects Fund	91,350		30,400		0		121,751
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0	0		0
Totals		0	0	0	0		0
Proprietary							
50 Other Enterprise Funds	0	0	0	0	0		0
64 (63) Risk-Related Activity Fund	0	0	0	0	0		0
60.65-69 Other Internal Service Funds	0	0	0	0	0		0
Totals		0	0	0	0		0
Fiduciary							
70 Other Trust and Agency Funds	0	0	0	0	0		0
72 Private Purpose Trust Fund	0	0	0	0	0		0
73 Agency Fund	0	0	0	0	0		0
74 Pupil Activity Agency Fund	5,131		8,826		1,397		12,561
79 GASB 34/Permanent Fund	0	0	0	0	0		0
85 Foundations	0	0	0	0	0		0
Totals		5,131	8,826		1,397		12,561

*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

Charter School Bolder Balance Sheet Report

District: 2800 - MOFFAT 2
 Fiscal Year 2015-16
 Colorado School District/BOCES

Must mirror the combined balance sheet pages from your audit

LOCATION: 950

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 65-69(60)	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	0	554,222	0	0	0	0	121,751	0	0	0	12,561	0	688,535
Cash with Fiscal Agent (8105)	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxes Receivable (8121,8122)	0	0	0	0	0	0	0	0	0	0	0	0	0
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0
Intergovernmental Accounts Rec (8141)	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	0	4,117	0	0	0	0	0	0	0	0	0	0	4,117
Other Receivables (8151-8154,8161)	0	81,930	0	0	0	0	0	0	0	0	0	0	81,930
Inventories (8171,8172,8173)	0	0	0	0	0	0	0	0	0	0	0	0	0
Prepaid Expenses (8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Assets (8191-8194,8199)	0	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	0
Total Assets	0	640,269	0	0	0	0	121,751	0	0	0	12,561	0	774,582



Colorado Department of Education
Charter School Bolder Balance Sheet Report
 District: 2800 - MOFFAT 2
 Fiscal Year 2015-16
 Colorado School District/BOCES

Must mirror the combined balance sheet pages from your audit

LOCATION: 950

	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 65-69(60)	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY													
LIABILITIES													
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0
Intergovernmental Payables (7411)	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	0	2,022	0	0	0	0	0	0	0	0	0	0	2,022
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	0	67,697	0	0	0	0	0	0	0	0	0	0	67,697
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0
Bonds Payables (7441-7445,7451,7452,7455)	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
Long-Term Liabilities (7521,7531,7561,7590)	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	0	8,864	0	0	0	0	0	0	0	0	0	0	8,864
Compensated Absences (7541)	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	0	78,592	0	0	0	0	0	0	0	0	0	0	78,592



Colorado Department of Education
Charter School Bolder Balance Sheet Report

District: 2800 - MOFFAT 2
 Fiscal Year 2015-16

Colorado School District/BOCES

Must mirror the combined balance sheet pages from your audit

LOCATION: 950

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	Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 65-69(60)	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Non-spensible Fund Balance 6710	0		0	0	0	0	0	0	0	0	0	0	0	0
Restricted Fund Balance 6720	0		0	0	0	0	0	0	0	0	0	0	0	0
TABOR 3% Emergency Reserve 6721	0		35,700	0	0	0	0	0	0	0	0	0	0	35,700
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	0	0	0	0	0	0	0	0	0	0	0
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	90,000	0	0	0	0	0	90,000
Committed Fund Balance 6750	0		0	0	0	0	0	31,751	0	0	0	0	0	31,751
Assigned Fund Balance 6760	0		0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	0		525,987	0	0	0	0	0	0	0	0	12,561	0	538,548
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	0		561,687	0	0	0	0	121,751	0	0	0	12,561	0	685,999

Total 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	Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 65-69(60)	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
0		640,269	0	0	0	0	0	121,751	0	0	0	12,561	0	774,581

For Each Fund Type: Do Assets=Liability+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	Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 65-69(60)	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
	Yes		Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes