

cPa DIXON, WALLER & CO., INC.

MOFFAT CONSOLIDATED SCHOOL

DISTRICT NO. 2

SAGUACHE COUNTY, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2016



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DIXON, WALLER & CO., INC.

TABLE OF CONTENTS

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 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-x
<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.....	10-34
 <u>REQUIRED SUPPLEMENTARY INFORMATION:</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Major Governmental Funds:	
General Fund	35-36
 Pension Trend Data:	
Schedule of Proportionate Share of Net Pension Liability.....	37
Schedule of District Contributions.....	38
 <u>COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES:</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual:	
Bond Redemption – Debt Service Fund.....	39
Building Fund – Capital Projects.....	40
Combining Balance Sheet – Nonmajor Governmental Funds.....	41
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds	42
Food Services – Special Revenue Fund.....	43
Capital Reserve – Capital Projects Fund.....	44
 Fiduciary Funds - Agency:	
Schedule of Changes in Assets and Liabilities	45
Schedule of Additions and Deductions – Budget (GAAP Basis) and Actual.....	46
 Crestone Charter School:	
Combining Balance Sheet.....	47
Combining Statements of Revenues, Expenditures and Changes In Fund Balances	48

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual:

General Fund 49-50
Capital Reserve – Capital Projects Fund..... 51

Fiduciary Funds Agency:

Schedule of Changes in Assets and Liabilities 52
Schedule of Additions and Deductions – Budget (GAAP Basis) and Actual..... 53

STATE REQUIRED SCHEDULES:

Auditor’s Integrity Report (Revenues, Expenditures, and Fund Balance by Fund) 54
Bolded Balance Sheet..... 55-57

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
ROSTER OF SCHOOL OFFICIALS
June 30, 2016

BOARD OF EDUCATION

Jerry Berry	President
Tina Freel	Vice President
Mathew Crowley	Secretary / Treasurer
Kevin Pesenecker	Member

SCHOOL OFFICIALS

Kirk Banghart	Superintendent
Karen Hazard	Business Manager

FINANCIAL SECTION

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TRINIDAD, COLORADO 81082
(719) 846-9241 FAX (719) 846-3352

INDEPENDENT AUDITOR'S REPORT

**Board of Education
Moffat Consolidated School District No. 2
Moffat, Colorado 81143**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Moffat Consolidated School District No. 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Moffat Consolidated School District No. 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 x and 35 through 38 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 Moffat Consolidated School District No. 2's basic financial statements. The combining and individual fund financial statements, 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 combining and individual fund financial statements, 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 combining and individual fund financial statements, 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

MOFFAT CONSOLIDATED SCHOOL DISTRICT #2
MANAGEMENT'S DISCUSSION AND ANALYSIS
For Fiscal Year Ended June 30, 2016

Management's Discussion and Analysis

Moffat Consolidated School District No. 2 covers approximately 500 square miles in Saguache County, located in the south central region of Colorado. The District serves the northeast 1/3 of Saguache County which includes the communities of Moffat and Crestone. Approximately 196 students are served in educational programs provided through the Moffat PK-12 School and the Crestone Charter School.

The discussion and analysis of the Moffat School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2016 are as follows:

- In total the District's overall net position is \$12,894,925 which represents an increase of \$2,616,980 over the previous year. This increase was created by an increase in carryover, extra revenue, frugal spending and the new building at Moffat. An increase in student count contributed to the increase.
- Revenues of \$6,846,004 were collected during the year in Governmental Funds. These revenues included revenues, taxes, grants and entitlements, general interest and other revenues.
- The District had \$2,475,226 in expenses. The general revenues (primarily property taxes and State grants and entitlements not restricted to specific programs) of \$785,402 along with fund carryovers and program revenues, were adequate to provide for these programs.
- The District's food service expenses exceed revenues by \$64,196 and a transfer from the General Fund to Food Service Fund was made. It is expected in the coming years that the General Fund will continue to supplement the revenue in the food service fund. Efforts at all levels are made to curb spending and create revenue to eliminate the need for this transfer; however, this is difficult in small school districts due to the economy of size and depressed economic factors as well as State & Federal regulations requiring the use of fresh fruits and vegetables and whole grains contribute to the increased cost.

Overview of the Basic Financial Statements

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Moffat Consolidated School District as a financial whole, or as an entire operating activity. Information for Crestone Charter School has been presented separately as required by the State of Colorado. District and Charter School financials have

been combined in this discussion and analysis. The basic financial statements consist of three parts: the management's discussion and analysis (this section), the basic financial statements and required supplementary information.

The basic financial statements include two kinds of statements and present different views of the District. The basic statements are government-wide statements that provide both long-term and short-term information about the District. Fund financial statements provide the next level of detail. For governmental funds, the statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statement also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds with all other non-major funds presented in total in a single column. For the Moffat Consolidated School District the General Fund is the most significant fund. The General Fund for Moffat Consolidated School District includes expenditures for the instructional programs including the Moffat Preschool and the Crestone Charter School. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the reporting entity.

REPORTING THE DISTRICT AS A WHOLE

Statement of Net Position and Statement of Activities

While this report contains all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year 2016?" The statement of net position and of activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting. The accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

The focus of these government-wide statements is on the overall financial position and activities of the District. These financial statements are constructed around the concept of a primary government, the district, and its component units, except for fiduciary funds. As described below, the financial statement of the District's fiduciary funds are not included in the government-wide financial statements, because resources of these funds cannot be used to finance the District's activities. However, the financial statements of fiduciary funds are included in the District's financial statements because the District is financially accountable for those resources, even though they belong to other parties.

The two statements report the district's net position and changes in net position. The change in net position is important because it identifies whether the financial position of the District has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws, enrollment levels, statutorily required reserves, facility conditions, required educational programs and other factors.

Moffat School District No. 2
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

In the statement of net position and the statement of activities, the School District is divided into two distinct kinds of activities:

Governmental Activities – Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. Most of the School District's Programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Business-Type Activities – Business-type activities are financed to some degree by charging external parties for the goods or services they acquire. The District's Food Service special revenue fund is reported as a business-type activity as the service is provided on a charge for goods or services basis to recover the expenses of the goods and services provided.

A summary of changes in capital assets:

GOVERNMENTAL ACTIVITIES -District 2014-2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Non-Depreciable Assets:				
Land	10,585	1,321		11,906
Construction in Progress	717,060	13,524,870		14,241,930
Total Non- Depreciable Assets	727,645	13,526,191		14,253,836
Depreciable Assets				
Building & Site Improvements	1,368,794	88,033		1,456,824
Equipment & Vehicles	444,851	40,715		485,566
Equipment Food Services	97,870	758		98,628
Total Accumulated Depreciation	1,911,512	129,506		2,041,018
Total Capital Assets, Net	2,722,979	13,496,460		16,219,439

Moffat School District No. 2
 Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

GOVERNMENTAL ACTIVITIES –District 15-16

	<i>Balance July 1, 2015</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30, 2016</i>
Non-Depreciable Assets:				
Land	11,906			11,906
Construction in Progress	14,241,930	3,963,406	0	18,205,336
Total Non-Depreciable Assets	14,253,836	3,963,406		18,217,242
Depreciable Assets				
Building & Site Improvements	3,251,036		2,815,037	435,999
Equipment & Vehicles	654,984	107,524	136,780	625,728
Equipment Food Services	100,601	0	100,601	0
Total Depreciable Assets	406,621	107,524	3,052,418	1,061,727
Total Accumulated Depreciation	2,041,018	65,694	1,453,445	653,267
Total Capital Assets, Net	16,219,439	4,005,236	1,598,973	18,625,702

Governmental Activities-Component Unit

2014-2015	Balance July 1, 2014	Additions	Balance June 30, 2015
Non Depreciable Total	448,458		448,458
Land, Building & Site Improvements	5,736,508	19,000	209,084
Equipment & Vehicles	190,084	43,080	552,647
Total Depreciable Assets	5,926,592	19,000	5,945,592
Less Accumulated Depreciation for:			
Building & Site Improvements	295,506	144,098	439,604
Equipment & Vehicles	162,634	5,045	167,679
Total Accumulated Depreciation	458,140	149,143	16,607,283
Total Capital Assets Net	5,468,452	(130,143)	5,786,767

Moffat School District No. 2
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

2015-2016	Balance July 1, 2015	Additions (Deletions)	Balance June 30, 2016
Non Depreciable Total	448,458		448,458
Land, Building & Site Improvements	5,736,508	(21,000)	5,715,508
Equipment & Vehicles	209,084	(66,960)	142,124
Total Depreciable Assets	5,945,592	(87,960)	5,857,632
Less Accumulated Depreciation for:			
Building & Site Improvements	439,604	132,878	572,482
Equipment & Vehicles	167,679	(58,765)	108,914
Total Accumulated Depreciation	607,283	74,113	681,396
Depreciable Assets Net	5,338,309	(162,073)	5,176,236
Total Capital Assets Net	5,786,767	(162,073)	5,624,694

FUND FINANCIAL STATEMENTS

Fund financial reports provide detailed information about the District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, the fund financial statements focus on the School District's most significant funds. The District's major governmental funds include the General Fund, the Capital Reserve Fund, Capital Projects, Building and the Bond Redemption Fund. Moffat Consolidated School District has two other funds aggregated on the governmental fund financial statements (Food Services Special Revenue and Capital Reserve Capital Projects Funds). Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

The District's fund financial statements are divided into two broad categories, namely (1) governmental funds; and (2) fiduciary funds.

Governmental Funds – The District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general

Moffat School District No. 2
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net assets and the statement of activities and the governmental funds is reconciled in the financial statements. Moffat Consolidated School District maintains five governmental funds -General, Capital Projects, Building, Food Service and Bond Redemption Fund.

Fiduciary Funds – The Pupil Activity Fund (Trust & Agency Fund) is used to account for assets held for the various clubs and organizations sponsored by the District. Two fiduciary funds are maintained in the District, one each for Moffat School and Crestone Charter School.

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

Financial Analysis of the District as a Whole

**Moffat Consolidated School District #2
Condensed Statement of Net Position as of June 30, 2016 and 2015**

	2015			2016		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
Current & other assets	4,791,970	0	4,791,970	2,859,294	0	2,859,294
Capital Assets	16,519,439	0	16,519,439	18,625,702	0	18,625,702
Total Assets	21,011,409	0	21,011,409	21,484,996	0	21,484,996
Deferred Outflows	162,744	0	162,744	436,485	0	436,485
Liabilities	12,929,002	0	12,929,002	8,668,491	0	8,668,491
Deferred Inflows	210	0	210	358,065	0	358,065
NET Position Invested						
in Capital Assets	11,219,592	0	11,219,592	13,812,308	0	13,812,308
Restricted	693,341	0	693,341	599,245	0	599,245
Unrestricted	(1,634,988)	0	(1,634,988)	(1,516,628)	0	(1,516,628)
Total Net Assets	10,277,945	0	10,277,945	12,894,925	0	12,894,925

The statement of net position reports all financial and capital resources. The statement presents assets and liabilities in order of relative liquidity. All liabilities reported are current as of June 30, 2016 consisting of accounts payable and accrued salaries and benefits. The difference between the district's assets and liabilities is its net position. The large increase in assets and liabilities is due to the BEST

Grant received by the district to build a new Moffat PreK-12 school minus the liability for the unfunded PERA requirement.

Financial Analysis of the District's funds

Governmental Funds

The focus of the District's governmental funds report is to provide information on short term income, expenses and the balance of spendable resources. This information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a measure of the District's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the major operating fund of the District, providing the majority of the resources for the educational and support programs. Before June 30 of each year the Board of Education approves a budget based on enrollment projections for the coming year. The budget may be revised until December 31st of each year to more accurately reflect anticipated revenue and expenditures as well as student count.

General Fund revenues totaling \$2,389,512 was \$64,435 less than anticipated in the budget. Actual expenditures of \$2,261,766 is actually \$1,819,744 under the budgeted figure. Moffat Consolidated School District has traditionally budgeted all beginning balances and reserves to allow for expenditure of these funds in case of a catastrophic expense. The \$1,801,308 June 30th fund balance includes reserves for TABOR and accrued salaries. The increase in fund balance for the General Fund over FY 2015 is \$127,746.

Capital Projects Fund

The District is utilizing the Capital Projects Fund to set aside funds for capital projects and purchases. As of June 30, 2016 the Fund Balance showed a total of \$279,421. This fund received revenues through a transfer of funds from the General Fund.

Moffat School District No. 2
 Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

Governmental Activities

The primary source of operating revenue for the school district comes from the School Finance Act of 1994. Each F.T.E . (full-time equivalent) generated \$13,108.02 for the 2015 program which is \$1,158.43 more than during the 2013-2014 school year. The funded pupil count for the District was 181.5 FTE during FY 2014-2015. The chart below shows the District revenues by revenue source.

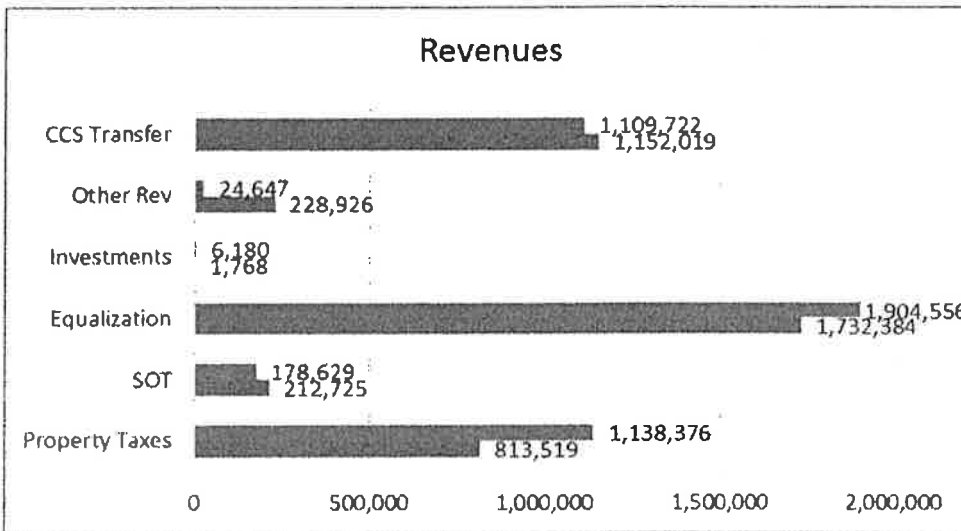


Figure 1 Shows Revenue Sources for General Fund Only

NOTE: Transfers & CCS PP Revenue are shown as negative amounts. The money goes from the General Fund to other funds.

**Net Cost of Governmental Activities FY 2014-2015
 Moffat Consolidated School District**

	2015		2016	
	Expenses	Net Cost of Services	Expenses	Net Cost of Services
Instruction	943,127	731,988	902,676	713,332
Student Support	68,780	68,780	68,995	68,995
Instructional Staff General	36,805	36,805	39,603	39,603
Administration	168,464	-67,505	203,384	14368
School Administration	156,225	156,225	187,663	187,683
Business Support	147,524	147,524	140,833	140,833
Operation & Mtce. Student	208,766	208,766	240,344	240,344
Transportation	133,314	106,897	170,443	140,199
Central Support & Other	512,969	(9,233,483)	521,265	-3,510,991
TOTAL	2,375,974	(7,844,003)	2,475,226	(1,965,634)

Bond Redemption

The Bond Redemption Fund is considered a part of the governmental funds and provides the means for repayment of the District's long-term debts. Long-Term Liabilities for general obligation debt are \$4,813,394 not due and payable in the 2016 fiscal year.

Capital Assets

The District began the year with Net Capital Assets of \$16,219,439. With the completion of the new Moffat School facility, new vehicles, equipment and routine depreciation of assets the ending balance for the District's Capital Assets is \$18,625,702 as of June 30, 2016.

Economic Factors and Next Year's Budget

The District continues to monitor the economic situation of the local area, surrounding areas and the State. The state of affairs in Colorado has and will continue to cause careful planning. The Colorado legislature has put the burden of reporting the employee's retirement (Colorado PERA) unfunded liability on each district. The District's carryover will allow the School District to act instead of react to the financial woes of the State and Country. Frugal spending has enabled the District to increase fund balance while working with an unstable student enrollment. Moffat Consolidated School District is the

Moffat School District No. 2
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

smallest district in the State of Colorado with a charter school. The enrollment at the charter school is approximately 41 percent of the total District student population. This factor creates challenges in budgeting due to economy of size and the splitting of the District's student population. Eighty-two percent of the District's student population qualify for free/reduced lunches through the national program. This statistic speaks loudly of our local economic struggles.

Contact the District's Financial Management Team

This financial report is designed to provide a general overview of the District's Finances and to demonstrate the District's accountability for the money it received. If you have questions about this report or would like further financial information, contact the Superintendent or Business Manager, Moffat Consolidated School District No. 2, P. O. Box 428, 501 Garfield Avenue, Moffat, CO 81143.

Respectfully submitted,

Kirk L. Banghart, Superintendent

Karen Hazard, Business Manager

BASIC FINANCIAL STATEMENTS

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
STATEMENT OF NET POSITION
June 30, 2016

	<u>Primary Government</u>		<u>Component</u>
	<u>Governmental</u>		<u>Unit</u>
	<u>Activities</u>	<u>Total</u>	<u>Charter School</u>
ASSETS			
Current Assets			
Cash	1,015,879	1,015,879	675,973
Investments	1,636,415	1,636,415	-
Property Taxes Receivable	179,813	179,813	-
Accounts Receivable	23,708	23,708	86,047
Inventories	3,479	3,479	-
Prepaid Expense	-	-	-
Total Current Assets	<u>2,859,294</u>	<u>2,859,294</u>	<u>762,020</u>
Capital Assets:			
Land	11,906	11,906	448,458
Construction in Progress	18,205,336	18,205,336	-
Depreciable Assets	1,061,727	1,061,727	5,857,632
Accumulated Depreciation	<u>(653,267)</u>	<u>(653,267)</u>	<u>(681,396)</u>
Capital Assets Net of Depreciation	<u>18,625,702</u>	<u>18,625,702</u>	<u>5,624,694</u>
TOTAL ASSETS	<u>21,484,996</u>	<u>21,484,996</u>	<u>6,386,714</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Pension Cost – Plan	348,018	348,018	264,358
Deferred Pension Cost – Employer	-	-	255,141
Deferred Pension Cost - Contributions Subsequent to Pension Measurement Date	<u>88,467</u>	<u>88,467</u>	<u>67,199</u>
Total Deferred Outflow of Resources	<u>436,485</u>	<u>436,485</u>	<u>586,698</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	132,063	132,063	2,021
Accrued Salaries Payable	116,891	116,891	67,697
Accrued Interest	16,631	16,631	-
Unearned Grant Payments	28,622	28,622	8,864
General Obligation Bonds – Current	<u>194,154</u>	<u>194,154</u>	<u>-</u>
Total Current Liabilities	<u>488,361</u>	<u>488,361</u>	<u>78,582</u>
Noncurrent Liabilities:			
Compensated Absences	18,123	18,123	-
General Obligation Bonds	4,619,240	4,619,240	-
Net Pension Liability	<u>3,542,767</u>	<u>3,542,767</u>	<u>2,691,116</u>
Total Noncurrent Liabilities	<u>8,180,130</u>	<u>8,180,130</u>	<u>2,691,116</u>
TOTAL LIABILITIES	<u>8,668,491</u>	<u>8,668,491</u>	<u>2,769,698</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Pension – Plan	50,213	50,213	38,142
Deferred Pension - Employer	<u>307,852</u>	<u>307,852</u>	<u>35,162</u>
Total Deferred Inflow of Resources	<u>358,065</u>	<u>358,065</u>	<u>73,304</u>
NET POSITION			
Net Investment in Capital Assets	13,812,308	13,812,308	5,624,694
Restricted for:			
Debt Service	374,066	374,066	-
BEST Grant Renewal	-	-	90,000
TABOR (Emergencies)	179,350	179,350	35,700
Preschool	11,389	11,389	-
Food Service	34,440	34,440	-
Unrestricted (Deficit)	<u>(1,516,628)</u>	<u>(1,516,628)</u>	<u>(1,619,984)</u>
TOTAL NET POSITION	<u>12,894,925</u>	<u>12,894,925</u>	<u>4,130,410</u>

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

FUNCTIONS/PROGRAMS	Net (Expenses) Revenue and Changes in Net Position					
	Primary Government				Component Unit Charter School	
	Program Revenues			Governmental Activities		Total
	Expenses	Charges for Services	Operating Grants & Contributions			
Primary Government:						
Governmental Activities						
Instruction	902,676	2,318	187,026	-	(713,332)	
Student Support	68,995	-	-	-	(68,995)	
Instructional Staff	39,603	-	-	-	(39,603)	
General Administration	203,384	189,016	-	-	(14,368)	
School Administration	187,683	-	-	-	(187,683)	
Business Support	140,833	-	-	-	(140,833)	
Operation & Maintenance	240,344	-	-	-	(240,344)	
Student Transportation	170,443	-	30,244	-	(140,199)	
Central Support	138,634	-	-	-	(138,634)	
Food Services	133,059	9,379	59,471	-	(64,209)	
Facilities/Capital Outlay	-	-	-	3,963,406	3,963,406	
Interest	204,330	-	-	-	(204,330)	
Pension Expense	45,242	-	-	-	(45,242)	
Total Governmental Activities	2,475,226	200,713	276,741	3,963,406	1,965,634	
Total Primary Government	2,475,226	200,713	276,741	3,963,406	1,965,634	
General Revenues						
Local Property Taxes			1,138,376		1,138,376	
Specific Ownership Taxes			178,629		178,629	
State Equalization			1,904,556		1,904,556	
Non-Specific Intergovernmental			216,650		216,650	
Earnings on Investments			6,180		658	
Other Revenue			24,647		4,406	
Loss on Disposition of Assets			(1,573,914)		(4,918)	
Charter Per Pupil Revenue			(1,109,722)		1,109,722	
Total General Revenues & Transfers			785,402		1,258,071	
Change in Net Position			2,751,036		(177,695)	
Net Position, Beginning			10,277,945		4,363,951	
Prior Period Adjustment			(134,056)		(55,846)	
Net Position, Ending			12,894,925		4,130,410	

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	<u>General</u>	<u>Bond Redemption Debt Service</u>	<u>Capital Projects Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash	495,410	343,736	-	176,733	1,015,879
Investments	1,503,067	-	-	133,348	1,636,415
Property Taxes Receivable	110,433	69,380	-	-	179,813
Accounts Receivable	10,892	-	12,515	301	23,708
Prepaid Expenditures	-	-	-	-	-
Inventories	-	-	-	3,479	3,479
Interfund Receivables	-	-	2,949	-	2,949
Total Assets	<u>2,119,802</u>	<u>413,116</u>	<u>15,464</u>	<u>313,861</u>	<u>2,862,243</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>					
	-	-	-	-	-
<u>LIABILITIES:</u>					
Accounts Payable	119,548	-	12,515	-	132,063
Accrued Salaries Payable	116,891	-	-	-	116,891
Interfund Payable	2,949	-	-	-	2,949
Unearned Grant Payments	25,673	-	2,949	-	28,622
Total Liabilities	<u>265,061</u>	<u>-</u>	<u>15,464</u>	<u>-</u>	<u>280,525</u>
<u>DEFERRED INFLOW OF RESOURCES</u>					
Property Tax	<u>53,433</u>	<u>39,050</u>	-	-	<u>92,483</u>
<u>FUND BALANCES:</u>					
Nonspendable:					
Inventories	-	-	-	3,479	3,479
Prepaid Expenses	-	-	-	-	-
Restricted for:					
TABOR (Emergencies)	179,350	-	-	-	179,350
Preschool	11,389	-	-	-	11,389
Debt Service	-	374,066	-	-	374,066
Food Service	-	-	-	30,961	30,961
Capital Outlay	-	-	-	-	-
Committed:					
Capital Outlay	-	-	-	279,421	279,421
Unassigned	<u>1,610,569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,610,569</u>
Total Fund Balances	<u>1,801,308</u>	<u>374,066</u>	<u>-</u>	<u>313,861</u>	<u>2,489,235</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>					
	<u>2,119,802</u>	<u>413,116</u>	<u>15,464</u>	<u>313,861</u>	<u>2,862,243</u>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
June 30, 2016**

GOVERNMENTAL FUNDS TOTAL FUND BALANCE	2,489,235
Deferred Property Tax Revenue-Revenues that do not provide current financial resources are deferred on the governmental fund financial statements but recognized on the government-wide financial statements.	92,483
Capital Assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	19,278,969
Accumulated Depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	(653,267)
Accrued interest payable is not considered current financial resources and, therefore, not reported in the governmental funds.	(16,631)
Long-Term Liabilities for general obligation debt and compensated absences are not due and payable in the current period and, therefore, not reported in the funds:	
General Obligation Bond	(4,813,394)
Compensated Absences	<u>(18,123)</u>
	(4,831,517)
Net pension liability, along with associated deferred flow, are not recorded at the fund level:	
Net Pension Liability	(3,542,767)
Deferred Pension Cost – Plan	297,805
Deferred Pension Cost – Contributions Subsequent to Pension Measurement Date	88,467
Deferred Pension Cost – Employer	<u>(307,852)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>12,894,925</u>

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	<u>General</u>	<u>Bond Redemption Debt Service</u>	<u>Capital Projects Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:					
Taxes	914,726	448,107	-	-	1,362,833
Intergovernmental	2,338,523	-	3,963,406	59,471	6,361,400
Local Grants	-	-	-	-	-
Interest	5,484	585	-	111	6,180
Other	215,442	-	-	9,871	225,313
Allocated Revenues	<u>(1,109,722)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,109,722)</u>
Total Revenues	<u>2,364,453</u>	<u>448,692</u>	<u>3,963,406</u>	<u>69,453</u>	<u>6,846,004</u>
EXPENDITURES					
Current:					
Instruction	904,617	-	-	-	904,617
Student Support	68,995	-	-	-	68,995
Instructional Staff	39,603	-	-	-	39,603
General Administration	203,384	-	-	-	203,384
School Administration	187,683	-	-	-	187,683
Business Services	140,833	-	-	-	140,833
Operations & Maintenance	281,818	-	-	-	281,818
Student Transportation	130,711	-	-	-	130,711
Central Support	138,093	-	-	-	138,093
Food Services	-	-	-	133,059	133,059
Community Services	-	-	-	-	-
Capital Outlay	-	-	3,963,406	46,285	4,009,691
Debt Service:					
Principal Retirements	-	186,453	-	-	186,453
Interest and Fiscal Charges	-	<u>204,972</u>	-	-	<u>204,972</u>
Total Expenditures	<u>2,095,737</u>	<u>391,425</u>	<u>3,963,406</u>	<u>179,344</u>	<u>6,629,912</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>268,716</u>	<u>57,267</u>	<u>-</u>	<u>(109,891)</u>	<u>216,092</u>
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	25,059	-	-	-	25,059
Operating Transfers In (Out)	<u>(166,029)</u>	<u>-</u>	<u>-</u>	<u>166,029</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(140,970)</u>	<u>-</u>	<u>-</u>	<u>166,029</u>	<u>25,059</u>
NET CHANGE IN FUND BALANCES	127,746	57,267	-	56,138	241,151
FUND BALANCES, Beginning					
PRIOR PERIOD ADJUSTMENT	<u>1,673,562</u>	<u>316,799</u>	<u>-</u>	<u>257,723</u>	<u>2,248,084</u>
FUND BALANCES, Ending	<u>1,801,308</u>	<u>374,066</u>	<u>-</u>	<u>313,861</u>	<u>2,489,235</u>

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 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

GOVERNMENTAL FUNDS CHANGES IN FUND BALANCES **241,151**

Governmental Funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay reported as an expenditure in the governmental funds functions.

Current Capital Outlay	4,070,930	
Less Net Disposition Of Capital Assets	(1,598,973)	2,471,957

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The effect of discounts and premiums are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrued in the statement of activities regardless of when it is due. The net effect of these differences follows:

Repayment of Debt Principal	186,453	
Interest Expense	<u>642</u>	187,095

Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, the adjustment to these expenses are not reported as expenditures in governmental funds. 7,597

Deferred Property Tax Inflows-Revenues that do not provide current financial resources are deferred on the governmental fund financial statements but recognized on the government-wide financial statements. (45,828)

Governmental Funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Current Depreciation Expense (65,694)

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		<u>(45,242)</u>
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CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES **2,751,036**

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND - AGENCY
June 30, 2016

	<u>Student Activity Fund</u>
<u>ASSETS</u>	
Cash	<u>25,264</u>
<u>LIABILITIES</u>	
Accounts Payable	10,725
Deposits Held for Others	<u>14,539</u>
<u>Total Liabilities</u>	<u>25,264</u>
<u>NET POSITION</u>	
Held in Trust for Others	<u> -</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Moffat Consolidated School District No. 2 of Saguache County was reorganized by a vote of qualified electorate in 1961, under the provisions of the Colorado School Organization Act of 1957.

The District operates under an elected Board of Education with five members and provides educational services to approximately 186 students.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Moffat Consolidated School District No. 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 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 discretely presented component units are reported in separate column in the government-wide financial statements to emphasize that they are legally separate from the District.

Discretely Presented Component Unit – Crestone Charter School

The District's charter school is the Crestone Charter School. Charter schools are public schools authorized by the State of Colorado to provide alternatives for parents, pupils, and teachers. The schools have separate governing boards but are fiscally dependent on the District for the majority of funding and their exclusion would render the District's financial statements incomplete. Charter schools are considered non-major component units for external financial reporting purposes. The Crestone Charter School does issue separate financial statements.

This District is not included in any other governmental "reporting entity" as defined GASB No. 14 (as amended by Statement No. 34, No. 39 and No. 61) and other than Crestone Charter School, 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.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 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 and proprietary funds. Major individual governmental funds (General Fund, Capital Projects Building Fund, and Bond Redemption Debt Service Fund) and 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 unreserved fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 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 to collect 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.

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 statement of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net 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.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 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)

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.

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

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. **Bond Redemption Debt Service Fund** – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.
3. **Capital Projects Building Fund** – used to account for the acquisition and construction of major capital facilities funded by the sale of general obligation bonds and other revenues.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

D. Fund Accounting (Continued)

- **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 District'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.

- 1. **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.

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 in the fund financial statements, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

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.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 \$3,000. 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 and any remaining depreciation as recorded in the year of disposition.

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. The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund. Capital leases are serviced from property taxes and other revenues of the General Fund and Capital Reserve Capital Projects Fund.

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.

On November 4, 1997 the registered voters approved a ballot resolution authorizing Moffat Consolidated School District No. 2 to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased or any new tax be imposed.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

J. Constitutional Amendment (Continued)

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 \$179,350 and the Charter School reserved \$35,700 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 Saguache County was as follows:

Levy Date	December 22, 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

L. Compensated Absences

Changes in Compensated Absences payable for the year ended June 30, 2016, were as follows:

	<u>Beginning</u>		<u>Additions</u>		<u>Deletions</u>	<u>Ending</u>
	<u>7/1/2015</u>					<u>6/30/2016</u>
Vacation Payable	8,293	-		7,474		819
Sick Leave Payable	<u>17,427</u>	-		<u>123</u>		<u>17,304</u>
Total	<u>25,720</u>	-		<u>7,597</u>		<u>18,123</u>

M. 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.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

N. Interest Expense

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

O. 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 balance 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.

Fund Balance Classification Policies and Procedures (Continued)

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.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO.2
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

O. GASB Statement No. 54 (Continued)

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.

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Food Services Special Revenue Fund</u>	<u>Bond Redemption Fund</u>	<u>Capital Reserve Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Inventories	-	3,479	-	-	3,479
Prepaid Expenses	-	-	-	-	-
<u>Restricted:</u>					
Emergencies	179,350	-	-	-	179,350
Preschool	11,389	-	-	-	11,389
Debt Service	-	-	374,066	-	374,066
Food Service	-	30,961	-	-	30,961
<u>Committed:</u>					
Capital Outlay	-	-	-	279,421	279,421
<u>Unassigned:</u>	<u>1,610,569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,610,569</u>
<u>Total Fund Balances</u>	<u>1,801,308</u>	<u>34,440</u>	<u>374,066</u>	<u>279,421</u>	<u>2,489,235</u>

P. 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.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 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 government 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. The items which were eliminated are as follows:

Governmental Funds – Interfund Receivables / Payables	\$ 2,949
Governmental Funds – Interfund Transfers	\$ 166,029

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, Capital Projects Funds, Debt Service Funds, Enterprise Funds, and Trust and Agency Funds.
6. Budgets for the General, Special Revenue, Debt Service, Capital Projects Funds, Trust and Agency Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 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>District</u>	
	<u>Carrying</u>	<u>Bank</u>
	<u>Balance</u>	<u>Balance</u>
Insured (FDIC)	500,000	500,000
Uninsured, Collateralized Under the Public Deposit Protection Act of the State of Colorado	262,438	292,240
Cash with County Treasurer	278,432	-
Cash on Hand	273	-
<u>Total Cash and Deposits</u>	<u>1,041,143</u>	<u>792,240</u>

As presented above, deposits with a bank balance of \$292,240 and a carrying balance of \$262,438 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 4 **CASH AND INVESTMENTS (Continued)**

Investments

At June 30, 2016, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
COLOTRUST Plus	44 Day Average	<u>1,636,415</u>

Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities for managing possible fair value losses due to increasing interest rates.

Credit Risk – State Law limits the type of investments allowable. The investment of COLOTRUST Plus is rated AAA by Standard and Poor's.

Concentration of Credit Risk – the District has no policy restricting the amount that can be invested in any issuer.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2016:

- COLOTRUST Investment Pool of \$1,636,415 is valued using quoted market prices (Level 1 inputs)

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 5 **CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

Governmental Activities - District

	<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	11,906	-	-	11,906
Construction In Progress	<u>14,241,930</u>	<u>3,963,406</u>	-	<u>18,205,336</u>
Total Non Depreciable Assets	<u>14,253,836</u>	<u>3,963,406</u>	<u>-</u>	<u>18,217,242</u>
<u>Depreciable Assets:</u>				
Buildings & Site Improvements	3,251,036	-	2,815,037	435,999
Equipment & Vehicles	654,984	107,524	136,780	625,728
Equipment - Food Services	<u>100,601</u>	-	<u>100,601</u>	<u>-</u>
Total Depreciable Assets	<u>4,006,621</u>	<u>107,524</u>	<u>3,052,418</u>	<u>1,061,727</u>
<u>Less Accumulated</u>				
<u>Depreciation for:</u>				
Building & Site Improvements	1,456,824	13,980	1,227,055	243,749
Equipment & Vehicles	485,566	51,714	127,762	409,518
Equipment - Food Services	<u>98,628</u>	-	<u>98,628</u>	<u>-</u>
Total Accumulated	<u>2,041,018</u>	<u>65,694</u>	<u>1,453,445</u>	<u>653,267</u>
<u>Depreciation</u>	<u>2,041,018</u>	<u>65,694</u>	<u>1,453,445</u>	<u>653,267</u>
Total Capital Assets, Net	<u>16,219,439</u>	<u>4,005,236</u>	<u>1,598,973</u>	<u>18,625,702</u>

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

Governmental Activities:

Instruction	5,656
Operations and Maintenance	19,765
Transportation	39,732
Central Support	541
Food Services	<u>-</u>
Total Depreciation Expense – Governmental Activities	<u>65,694</u>

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 6 **LONG-TERM DEBT**

General Obligation Bonds Payable
Changes in General Obligation Bonds

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>	<u>Due In</u> <u>One Year</u>
Series 2010 G.O. Bonds	601,034	-	30,383	570,651	31,548
Series 2013 G. O. Bonds	<u>4,398,813</u>	-	<u>156,070</u>	<u>4,242,743</u>	<u>162,606</u>
Total GO Bonds Payable	<u>4,999,847</u>	<u>-</u>	<u>186,453</u>	<u>4,813,394</u>	<u>194,154</u>

Series 2013 General Obligation Bonds

This general obligation debt was issued December 9, 2013 for the purpose of construction facilities for the Moffat Consolidated School District No. 2. The Series 2013 Matching Money bonds of \$4,552,677 were used to match \$12,124,993 in State of Colorado – BEST program funds as required under the State of Colorado Building Excellent Schools Today Qualified School Construction Program. The Series 2013 Matching Money bonds were issued at an interest rate 4.1878%.

	<u>Fiscal</u> <u>Year</u>	<u>Rate</u>	<u>Interest</u> <u>Payable</u>	<u>Principal</u> <u>Payable</u>
General Obligation Bonds, Series 2013, Interest Payable June 1 and December 1, Original Bond amount \$4,552,677	2017	4.1878%	174,273	162,606
	2018	4.1878%	167,321	169,416
	2019	4.1878%	160,078	176,511
	2020	4.1878%	152,531	183,903
	2021	4.1878%	144,668	191,604
	2022-2026	4.1878%	593,381	1,085,318
	2027-2031	4.1878%	341,103	1,332,420
	2032-2034	4.1878%	<u>60,187</u>	<u>940,965</u>
			<u>1,793,542</u>	<u>4,242,743</u>

Series 2010 General Obligation Bonds

This general obligation debt was issued April 27, 2010 for the purpose of construction facilities for the Crestone Charter School. The Series 2010 Matching Money bonds of \$726,519 were used to match \$5,327,806 in State of Colorado – BEST program funds as required under the State of Colorado Building Excellent Schools Today Qualified School Construction Program. The Series 2010 Matching Money bonds were issued at an interest rate 3.84%.

	<u>Fiscal</u> <u>Year</u>	<u>Rate</u>	<u>Interest</u> <u>Payable</u>	<u>Principal</u> <u>Payable</u>
General Obligation Bonds, Series 2010, Interest Payable June 1 and December 1, Original Bond amount \$726,519	2017	3.84%	21,288	31,548
	2018	3.84%	20,054	32,759
	2019	3.84%	18,774	34,015
	2020	3.84%	17,443	35,321
	2021	3.84%	16,062	36,676
	2022-2026	3.84%	57,668	205,596
	2027-2030	3.84%	<u>15,293</u>	<u>194,736</u>
			<u>166,582</u>	<u>570,651</u>

Total General Obligation Bonds Payable **4,813,394**

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 7 **PENSION PLAN**

Defined Benefit Pension Plan

The amounts presented in this note are for the primary government only, and do not include amounts for the component unit.

Summary of Significant Accounting Policies

Pensions. Moffat Consolidated School District No. 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 Moffat Consolidated School District No. 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.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 7 **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.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 7 **PENSION PLAN (Continued)**

Contributions. Eligible employees and Moffat Consolidated School District No. 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 (I) (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 Moffat Consolidated School District No. 2 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Moffat Consolidated School District No. 2 were \$178,711 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 Moffat Consolidated School District No. 2 reported a liability of \$3,542,767 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 Moffat Consolidated School District No. 2 proportion of the net pension liability was based on Moffat Consolidated School District No. 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 Moffat Consolidated School District No. 2 proportion was 0.02316 percent, which was a decrease of 0.0023 from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the Moffat Consolidated School District No. 2 recognized pension expense of \$45,242. At June 30, 2016, the Moffat Consolidated School District No. 2 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 7 **PENSION PLAN (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	46,783	(148)
Changes of assumptions or other inputs	0	(50,065)
Net difference between projected and actual earnings on pension plan investments	301,235	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	0	(307,852)
Contributions subsequent to the measurement date	88,467	N/A
Total	436,485	(358,065)

\$88,467 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	(55,798)
2018	(40,877)
2019	24,856
2020	61,772
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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 7 **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:

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 7 **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.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 7 **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 Moffat Consolidated School District No. 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	4,592,461	3,542,767	2,669,617

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.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 7 **PENSION PLAN (Continued)**

Defined Contribution Pension Plan

Voluntary Investment Program

Plan Description – Employees of the Moffat Consolidated School District No. 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 \$12,735.

Other Post-Employment Benefits

Health Care Trust Fund

Plan Description – The Moffat Consolidated School District No. 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 Moffat Consolidated School District No. 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 Moffat Consolidated School District No. 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 Moffat Consolidated School District No. 2 contributions to the HCTF were \$10,289, \$10,801 and \$11,153, respectively equal to their required contributions for each year.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 8 **RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The district participates in the Colorado School District Self Insurance Pool. The Pool insures property and liability exposures through contributions made by member districts. The district does not maintain an equity interest in the self-insurance pool. The District funds its pool contributions, outside insurance purchases, deductibles, and uninsured losses through the General Fund.

The District continues to carry commercial insurance for all other risks of loss, including errors and omissions and property. Settled claims resulting from these risks have not exceeded commercial or District coverages in any of the past three years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

NOTE 9 **INTERFUND BALANCES AND TRANSFERS**

<u>TRANSFERS</u>	<u>Transfer</u> <u>In</u>	<u>Transfer</u> <u>Out</u>	<u>Interfund</u> <u>Receivable</u>	<u>Interfund</u> <u>Payable</u>
<u>Major Governmental Fund</u>				
General Fund	-	166,029	-	2,949
Building Fund	-	-	2,949	-
<u>NonMajor Governmental</u>				
<u>Funds</u>	<u>166,029</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>166,029</u>	<u>166,029</u>	<u>2,949</u>	<u>2,949</u>

Transfers were made for the purpose of assisting fund operations.

Interfund payables will be repaid within one year.

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 Insurance Reserve Fund.

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.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 10 **COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)**

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 (Loss)	<u>(2,388,357)</u>
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 **LITIGATION**

None.

NOTE 12 **SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

Claims and Judgments - The District participates in a number of federal, state and county 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 District 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 District 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 District.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 13 **JOINT VENTURES**

San Luis Valley Board of Cooperative Educational Services

Not reflected in the accompanying financial statements is the District's participation in the San Luis Valley 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. The Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2016. The joint venture summary audited financial information as of June 30, 2015 is as follows:

Assets and Deferred Outflows	<u>2,435,538</u>
Liabilities and Deferred Inflows	9,301,652
Net Position	<u>(6,866,114)</u>
	<u>2,435,538</u>
Revenues	5,389,369
Expenses	<u>5,093,715</u>
Change in Net Position	<u>295,654</u>

The equity interest of each member District is not known, nor is the change in such interest. The equity interest will be determined only at the disbanding of the B.O.C.E.S..

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.

A report may be obtained by contacting San Luis Valley BOCES, P.O. Box 1198, Alamosa, CO 81101.

NOTE 14 **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 \$134,056. 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

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.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016

<u>REVENUES</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Local Sources</u>				
Property Taxes	692,226	692,226	724,582	32,356
Specific Ownership Taxes	125,000	125,000	178,629	53,629
Delinquent Taxes & Interest	6,700	6,700	11,515	4,815
Earnings on Investments	2,120	2,120	5,484	3,364
E-Rate	12,000	12,000	6,822	(5,178)
Charter School Purchased Services	-	-	189,016	189,016
Other Local Sources	254,923	254,923	19,604	(235,319)
<u>County Sources</u>				
Mineral Leasing	65	65	47	(18)
<u>State Sources</u>				
Equalization	1,934,557	1,934,557	1,904,556	(30,001)
Transportation	25,875	25,875	30,244	4,369
Small Rural School Supplemental	-	-	51,309	51,309
READ Act Grant	-	-	2,690	2,690
Library Grant	-	-	3,500	3,500
Supplemental At Risk	-	-	6,536	6,536
Additional At Risk	-	-	1,344	1,344
BOCES Pass Thru Grant – G&T	-	6,563	2,223	(4,340)
<u>Federal Sources</u>				
Title I	112,183	112,183	112,184	1
Title II-A	10,199	10,199	2,662	(7,537)
REAP Grant	12,897	12,897	1,180	(11,717)
Forest Service	185,759	185,759	216,650	30,891
Vocational Education Carl Perkins	-	-	3,398	3,398
<u>Allocation to Crestone Charter School</u>	<u>(927,120)</u>	<u>(927,120)</u>	<u>(1,109,722)</u>	<u>(182,602)</u>
<u>Total Revenues</u>	<u>2,447,384</u>	<u>2,453,947</u>	<u>2,364,453</u>	<u>(89,494)</u>

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>EXPENDITURES</u>				
<u>Instruction</u>	<u>1,018,459</u>	<u>1,018,459</u>	<u>904,617</u>	<u>113,842</u>
<u>Supporting Services:</u>				
Students	65,952	65,952	68,995	(3,043)
Instructional Staff	45,283	45,283	39,603	5,680
General Administration	233,155	233,155	203,384	29,771
School Administration	196,316	196,316	187,683	8,633
Business Services	165,258	165,258	140,833	24,425
Operations and Maintenance	353,988	353,988	281,818	72,170
Student Transportation	136,171	136,171	130,711	5,460
Central Support	166,147	166,147	138,093	28,054
Community Services	<u>6,000</u>	<u>6,000</u>	-	<u>6,000</u>
<u>Total Supporting Services</u>	<u>1,368,270</u>	<u>1,368,270</u>	<u>1,191,120</u>	<u>177,150</u>
 <u>Appropriated Reserves</u>	 <u>1,531,781</u>	 <u>1,531,781</u>	 <u>-</u>	 <u>1,531,781</u>
 <u>Total Expenditures</u>	 <u>3,918,510</u>	 <u>3,918,510</u>	 <u>2,095,737</u>	 <u>1,822,773</u>
 <u>Revenue Over (Under) Expenditures</u>	 <u>(1,471,126)</u>	 <u>(1,464,563)</u>	 <u>268,716</u>	
 <u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	-	-	25,059	25,059
Transfers (Out)	<u>(163,000)</u>	<u>(163,000)</u>	<u>(166,029)</u>	<u>(3,029)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(163,000)</u>	<u>(163,000)</u>	<u>(140,970)</u>	<u>22,030</u>
 <u>Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</u>	 <u>(1,634,126)</u>	 <u>(1,627,563)</u>	 <u>127,746</u>	
 <u>Fund Balance, Beginning</u>	 <u>1,634,126</u>	 <u>1,627,563</u>	 <u>1,673,562</u>	
 <u>Fund Balance, Ending</u>	 <u>-</u>	 <u>-</u>	 <u>1,801,308</u>	

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
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>
District's proportion of the net pension liability (asset)	0.0232%	0.0254%	0.0269%	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$3,542,767	\$3,447,583	\$3,428,203	-	-	-	-	-	-	-
District's covered-employee payroll	\$1,008,697	\$1,058,958	\$1,093,473	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	351%	326%	314%	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	59.2%	62.80%	64.06%	-	-	-	-	-	-	-

The above amounts are for the Primary Government only and do not include amounts for the component unit.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 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	\$ 178,711	\$ 179,229	\$ 174,854	\$ 162,336	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (178,711)</u>	<u>\$ (179,229)</u>	<u>\$ (174,854)</u>	<u>\$ (162,336)</u>	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-	-
District's covered-employee payroll	\$1,008,697	\$1,058,958	\$1,093,473	\$1,073,797	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	17.72%	16.93%	15.99%	15.12%	-	-	-	-	-	-

The above amounts are for the Primary Government only and do not include amounts for the component unit.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

Bond Redemption Debt Service Fund

Bond Redemption Debt Service Fund – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

Capital Projects Fund

Building Fund – used to account for the acquisition and construction of major capital facilities funded by the sale of general obligation bonds and other revenues.

NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Fund

Food Service Fund – this fund accounts for all financial activities associated with the District’s school breakfast and lunch programs.

Capital Projects Fund

Capital Reserve Capital Projects Fund – used to account for the acquisition and construction of major capital facilities funded by the sale of general obligation bonds and other revenues.

Fiduciary Fund

Agency Fund

Pupil Activity – this fund is used to account for assets held for various clubs and organizations.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
BOND REDEMPTION DEBT SERVICE FUND
For the Year Ended June 30, 2016

	<u>Budget Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original & Final</u>		
<u>REVENUES</u>			
Property Taxes	455,637	443,576	(12,061)
Delinquent Taxes	-	4,531	4,531
Earnings on Investments	<u>40</u>	<u>585</u>	<u>545</u>
<u>Total Revenues</u>	<u>455,677</u>	<u>448,692</u>	<u>(6,985)</u>
<u>EXPENDITURES:</u>			
Principal Expense	187,619	186,453	1,166
Interest Expense	202,234	203,422	(1,188)
Other Expense	2,000	1,550	450
Appropriated Reserve	<u>299,833</u>	<u>-</u>	<u>299,833</u>
<u>Total Expenditures</u>	<u>691,686</u>	<u>391,425</u>	<u>300,261</u>
<u>Revenues Over (Under) Expenditures</u>	(236,009)	57,267	
<u>Fund Balances, Beginning</u>	<u>236,009</u>	<u>316,799</u>	
<u>Fund Balances, Ending</u>	<u>-</u>	<u>374,066</u>	

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
BUILDING– CAPITAL PROJECTS FUND
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
<u>REVENUES:</u>			
State Source Best Grant	<u>9,475,474</u>	<u>3,963,406</u>	<u>(5,512,068)</u>
<u>Total Revenues</u>	<u>9,475,474</u>	<u>3,963,406</u>	<u>(5,512,068)</u>
<u>EXPENDITURES:</u>			
Building Construction	<u>9,475,474</u>	<u>3,963,406</u>	<u>5,512,068</u>
<u>Total Expenditures</u>	<u>9,475,474</u>	<u>3,963,406</u>	<u>5,512,068</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	-	
<u>FUND BALANCE, Beginning</u>	-	-	
<u>FUND BALANCE, Ending</u>	-	-	

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2016

	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Food Service</u>	<u>Capital Reserve</u>	
<u>ASSETS</u>			
Cash	30,660	146,073	176,733
Investments	-	133,348	133,348
Accounts Receivable	301	-	301
Inventories	3,479	-	3,479
Due From Other Funds	-	-	-
<u>Total Assets</u>	<u>34,440</u>	<u>279,421</u>	<u>313,861</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	-	-	-
Due To Other Funds	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>			
Nonspendable:			
Inventories	3,479	-	3,479
Restricted:			
Food Services	30,961	-	30,961
Committed:			
Capital Outlay	-	279,421	279,421
Unassigned	-	-	-
<u>Total Fund Balances</u>	<u>34,440</u>	<u>279,421</u>	<u>313,861</u>
<u>TOTAL LIABILITIES & FUND BALANCES</u>	<u>34,440</u>	<u>279,421</u>	<u>313,861</u>

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u> <u>Non-Major</u> <u>Governmental</u> <u>Funds</u>
	<u>Food</u> <u>Services</u>	<u>Capital</u> <u>Reserve</u>	
<u>REVENUES</u>			
Local Sources	9,392	590	9,982
State Sources	459	-	459
Federal Sources	<u>59,012</u>	<u>-</u>	<u>59,012</u>
<u>Total Revenues</u>	<u>68,863</u>	<u>590</u>	<u>69,453</u>
<u>EXPENDITURES</u>			
Food Services	133,059	-	133,059
Capital Outlay	<u>-</u>	<u>46,285</u>	<u>46,285</u>
<u>Total Expenditures</u>	<u>133,059</u>	<u>46,285</u>	<u>179,344</u>
<u>REVENUES OVER (UNDER)</u>			
<u>EXPENDITURES</u>	<u>(64,196)</u>	<u>(45,695)</u>	<u>(109,891)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)	<u>76,029</u>	<u>90,000</u>	<u>166,029</u>
<u>Total Other Financing</u> <u>Sources (Uses)</u>	<u>76,029</u>	<u>90,000</u>	<u>166,029</u>
<u>REVENUES OVER (UNDER) OTHER</u> <u>FINANCING SOURCES (USES) AND</u> <u>EXPENDITURES</u>			
	11,833	44,305	56,138
<u>FUND BALANCES, Beginning</u>	<u>22,607</u>	<u>235,116</u>	<u>257,723</u>
<u>FUND BALANCES, Ending</u>	<u>34,440</u>	<u>279,421</u>	<u>313,861</u>

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOOD SERVICE – SPECIAL REVENUE FUND
For the Year Ended June 30, 2016

	<u>Budget 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>			
<u>Local Sources</u>			
Food Sales	7,000	8,652	1,652
Interest Earnings	10	13	3
Other	<u>800</u>	<u>727</u>	<u>(73)</u>
<u>Total Local Sources</u>	<u>7,810</u>	<u>9,392</u>	<u>1,582</u>
<u>State Sources</u>			
State Match	<u>380</u>	<u>459</u>	<u>79</u>
<u>Total State Sources</u>	<u>380</u>	<u>459</u>	<u>79</u>
<u>Federal Sources</u>			
School Lunches	37,000	50,779	13,779
Fresh Fruits and Vegetables	-	4,367	4,367
Commodities	<u>-</u>	<u>3,866</u>	<u>3,866</u>
<u>Total Federal Sources</u>	<u>37,000</u>	<u>59,012</u>	<u>22,012</u>
<u>TOTAL REVENUES</u>	<u>45,190</u>	<u>68,863</u>	<u>23,673</u>
<u>EXPENDITURES</u>			
Salaries	46,980	56,590	(9,610)
Employee Benefits	20,430	19,439	991
Purchased Services – Professional	1,500	3,460	(1,960)
Purchased Services – Property	600	-	600
Purchased Services - Other	2,000	176	1,824
Supplies	8,000	4,730	3,270
Food and Milk	42,500	48,664	(6,164)
Appropriated Reserves	<u>13,681</u>	<u>-</u>	<u>13,681</u>
<u>TOTAL EXPENDITURES</u>	<u>135,691</u>	<u>133,059</u>	<u>2,632</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(90,501)	(64,196)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	<u>73,000</u>	<u>76,029</u>	<u>3,029</u>
<u>REVENUES AND SOURCES OVER (UNDER)</u> <u>EXPENDITURES AND USES</u>	(17,501)	11,833	
<u>FUND BALANCE, Beginning</u>	<u>17,501</u>	<u>22,607</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>34,440</u>	

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
CAPITAL RESERVE – CAPITAL PROJECTS FUND
For the Year Ended June 30, 2016

	<u>Budget 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	<u>190</u>	<u>590</u>	<u>400</u>
<u>Total Revenues</u>	<u>190</u>	<u>590</u>	<u>400</u>
<u>EXPENDITURES:</u>			
Building Improvements	61,000	3,090	57,910
Transportation	104,000	43,195	60,805
Appropriated Reserve	<u>110,306</u>	<u>-</u>	<u>110,306</u>
<u>Total Expenditures</u>	<u>275,306</u>	<u>46,285</u>	<u>229,021</u>
<u>Revenues Over (Under) Expenditures</u>	(275,116)	(45,695)	
<u>Other Operating Sources (Uses)</u>			
Operating Transfers In (Out)	<u>90,000</u>	<u>90,000</u>	<u>-</u>
<u>Net Change in Fund Balance</u>	(185,116)	44,305	
<u>Fund Balance, Beginning</u>	<u>185,116</u>	<u>235,116</u>	
<u>Fund Balance, Ending</u>	<u>-</u>	<u>279,421</u>	

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND – AGENCY
For the Year Ended June 30, 2016

	<u>Balance</u> <u>7-1-2015</u>	<u>Moffat</u> <u>Agency Fund</u>		<u>Balance</u> <u>6-30-2016</u>
		<u>Additions</u>	<u>Deductions</u>	
<u>ASSETS</u>				
Cash and Investments	<u>13,081</u>	<u>43,172</u>	<u>30,989</u>	<u>25,264</u>
<u>LIABILITIES</u>				
Accounts Payable	-	10,725	-	10,725
Deposits Held for Others	<u>13,081</u>	<u>32,447</u>	<u>30,989</u>	<u>14,539</u>
<u>Total Liabilities</u>	<u>13,081</u>	<u>43,172</u>	<u>30,989</u>	<u>25,264</u>

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF ADDITIONS AND DEDUCTIONS
BUDGET (GAAP BASIS) AND ACTUAL
FIDUCIARY FUND - AGENCY
For the Year Ended June 30, 2016

	<u>Moffat Student Activity Fund</u>		
	<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>ADDITIONS</u>			
Local Receipts	<u>70,000</u>	<u>32,447</u>	<u>(37,553)</u>
<u>DEDUCTIONS</u>			
Disbursements	<u>83,081</u>	<u>30,989</u>	<u>52,092</u>
<u>CHANGES IN DUE TO STUDENT GROUPS</u>	<u>(13,081)</u>	<u>1,458</u>	
<u>DUE TO STUDENT GROUPS, Beginning</u>	<u>13,081</u>	<u>13,081</u>	
<u>DUE TO STUDENT GROUPS, Ending</u>	<u>= -</u>	<u>14,539</u>	

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

**CRESTONE CHARTER SCHOOL
COMPONENT UNIT**

General Fund – is used to fund a Charter School’s operation such as instruction, instructional support and ongoing facility cost. Revenues in addition to revenue allocations from the general fund, may include interest income, local revenue and grant receipts.

Capital Reserve Capital Projects Fund – is used to account for the construction and improvement of District buildings, including the acquisition of sites, equipment, and vehicles.

Pupil Activity Fund – is used to account for assets held for various clubs and organizations.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
CRESTONE CHARTER SCHOOL
COMBINING BALANCE SHEET
June 30, 2016

	<u>Governmental Funds</u>			Fiduciary	<u>Total</u>
	<u>General Fund</u>	<u>Capital Reserve Capital Projects Fund</u>	<u>Total Governmental Fund</u>	<u>Student Activity Fund</u>	
<u>ASSETS</u>					
Cash	554,222	121,751	675,973	12,561	688,534
Accounts Receivable	86,047	-	86,047	-	86,047
<u>Total Assets</u>	<u>640,269</u>	<u>121,751</u>	<u>762,020</u>	<u>12,561</u>	<u>774,581</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>	-	-	-	-	-
<u>LIABILITIES</u>					
Accounts Payable	2,021	-	2,021	-	2,021
Accrued Salaries	67,697	-	67,697	-	67,697
Unearned Grant Payments	8,864	-	8,864	-	8,864
Due To Others	-	-	-	12,561	12,561
<u>Total Liabilities</u>	<u>78,582</u>	<u>-</u>	<u>78,582</u>	<u>12,561</u>	<u>91,143</u>
<u>DEFERRED INFLOW OF RESOURCES</u>	-	-	-	-	-
<u>FUND BALANCES:</u>					
Restricted for:					
TABOR (Emergencies)	35,700	-	35,700	-	35,700
BEST Grant Renewal	-	90,000	90,000	-	90,000
Committed:					
Capital Outlay	-	31,751	31,751	-	31,751
Unassigned	525,987	-	525,987	-	525,987
<u>Total Fund Balances</u>	<u>561,687</u>	<u>121,751</u>	<u>683,438</u>	<u>-</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>	<u>12,561</u>	<u>774,581</u>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
CRESTONE CHARTER SCHOOL
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2016**

	<u>Governmental Funds</u>			<u>Fiduciary Fund</u> <u>Student Activity Fund</u>
	<u>General Fund</u>	<u>Capital Reserve Capital Projects Fund</u>	<u>Total Governmental Fund</u>	
<u>REVENUES</u>				
Local Sources	46,031	400	46,431	8,826
State Sources	35,523	-	35,523	-
Federal Sources	158,128	-	158,128	-
Allocation from Moffat School	<u>1,109,722</u>	<u>-</u>	<u>1,109,722</u>	<u>-</u>
<u>TOTAL REVENUES</u>	<u>1,349,404</u>	<u>400</u>	<u>1,349,804</u>	<u>8,826</u>
<u>EXPENDITURES</u>				
Instruction	<u>577,698</u>	<u>-</u>	<u>577,698</u>	<u>-</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	-
Student Activity	-	-	-	<u>1,397</u>
<u>Total Support Services</u>	<u>612,307</u>	<u>-</u>	<u>612,307</u>	<u>1,397</u>
<u>TOTAL EXPENDITURES</u>	<u>1,190,005</u>	<u>-</u>	<u>1,190,005</u>	<u>1,397</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>159,399</u>	<u>400</u>	<u>159,799</u>	<u>7,429</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of Capital Assets	9,332	-	9,332	-
Operating Transfer In (Out)	<u>(30,000)</u>	<u>30,000</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(20,668)</u>	<u>30,000</u>	<u>9,332</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</u>	<u>138,731</u>	<u>30,400</u>	<u>169,131</u>	<u>7,429</u>
<u>FUND BALANCE, Beginning</u>	<u>422,956</u>	<u>91,351</u>	<u>514,307</u>	<u>-</u>
<u>FUND BALANCE, Ending</u>	<u>561,687</u>	<u>121,751</u>	<u>683,438</u>	<u>-</u>
<u>DUE TO OTHERS, Beginning</u>				<u>5,132</u>
<u>DUE TO OTHERS, Ending</u>				<u>12,561</u>

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
CRESTONE CHARTER SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
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>			
<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 Sources</u>	<u>86,550</u>	<u>46,031</u>	<u>(40,519)</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 Source</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>Allocation from Capital Reserve</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
<u>Total Revenues</u>	<u>1,256,093</u>	<u>1,319,404</u>	<u>63,311</u>
<u>EXPENDITURES</u>			
<u>Instruction</u>	<u>631,779</u>	<u>577,698</u>	<u>54,081</u>
<u>Supporting Services:</u>			
Student Support	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 and 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 Reserves</u>	<u>540,085</u>	<u>-</u>	<u>540,085</u>
<u>Total Expenditures</u>	<u>1,809,002</u>	<u>1,190,005</u>	<u>618,997</u>

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
CRESTONE CHARTER SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016**

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(552,909)</u>	<u>129,399</u>	
<u>Other Financing Sources (Uses)</u>			
Sale of Capital Assets	-	<u>9,332</u>	<u>9,332</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>9,332</u>	<u>9,332</u>
<u>Revenues Over Expenditures and Other Financing Uses</u>	<u>(552,909)</u>	<u>138,731</u>	
<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.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
CRESTONE CHARTER SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
CAPITAL RESERVE – CAPITAL PROJECTS FUND
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 Investment	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.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
CRESTONE CHARTER SCHOOL
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND – AGENCY
For the Year Ended June 30, 2016

	<u>Balance</u> <u>7-1-2015</u>	<u>Crestone</u> <u>Agency Fund</u>		<u>Balance</u> <u>6-30-2016</u>
		<u>Additions</u>	<u>Deductions</u>	
<u>ASSETS</u>				
Cash and Investments	<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.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
CRESTONE CHARTER SCHOOL
SCHEDULE OF CHANGES IN ADDITIONS AND DEDUCTIONS
BUDGET (GAAP BASIS) AND ACTUAL
FIDUCIARY FUND – AGENCY
For the Year Ended June 30, 2016

	<u>Crestone Agency Funds</u>		<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<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.

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

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	-	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental							
10 General Fund	1,672,266		2,143,599		2,025,945		1,789,920
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	1,297		79,885		69,792		11,389
Sub-Total	1,673,563		2,223,484		2,095,737		1,801,308
11 Charter School Fund	422,956		1,328,736		1,190,006		561,687
20,25-29 Special Revenue Fund	C		0		0		0
21 Food Service Spec Revenue Fund	22,607		144,892		133,059		34,440
22 Govr Designated-Purpose Grants Fund	C		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	316,738		446,692		391,425		374,066
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	0		3,963,406		3,963,406		0
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	316,467		120,991		46,285		401,173
Totals	2,992,391		4,193,300		7,818,918		3,172,675
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	18,272		41,273		32,385		27,100
79 GASB 34/Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	18,272		41,273		32,385		27,100
FINAL							
Totals	3,010,663		4,193,300		7,851,303		3,200,775

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

ASSETS	Governmental					Proprietary					Fiduciary		Totals
	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)	1,750,488	554,222	19,010	30,660	0	294,284	401,173	0	0	0	37,825	0	3,087,662
Cash with Fiscal Agent (8105)	228,980	0	0	0	0	49,452	0	0	0	0	0	0	278,432
Taxes Receivable (8121,8122)	110,433	0	0	0	0	69,380	0	0	0	0	0	0	179,814
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	2,949	0	0	0	0	0	2,949
Intergovernmental Accounts Rec (8141)	0	0	0	301	0	0	0	0	0	0	0	0	301
Grants Accounts Receivable (8142)	167	4,117	0	0	0	0	0	0	0	0	0	0	4,283
Other Receivables (8151-8154,8161)	10,725	81,930	0	0	0	0	12,515	0	0	0	0	0	105,171
Inventories (8171,8172,8173)	0	0	0	3,479	0	0	0	0	0	0	0	0	3,479
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	2,100,793	640,259	19,010	34,440	0	413,116	416,637	0	0	0	37,825	0	3,662,090

Governmental Proprietary Fiduciary

LIABILITIES & FUND EQUITY

LIABILITIES

	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)	2,949	0	0	0	0	0	0	0	0	0	0	0	2,949
Intergovernmental Payables (7411)	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	119,548	2,022	0	0	0	0	0	0	0	0	0	0	121,570
Accrued Expenses (7461)	109,270	67,697	7,621	0	0	0	0	0	0	0	0	0	184,587
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0
Unearned Revenue (7481)	53,433	0	0	0	0	39,050	0	0	0	0	0	0	92,483
Grants Deferred Revenue (7482)	25,673	8,864	0	0	0	0	2,949	0	0	0	0	0	37,486
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	12,515	0	0	0	10,725	0	23,241
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	310,873	78,582	7,621	0	0	39,050	15,464	0	0	0	10,725	0	462,316

