

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2016



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ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

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INDEPENDENT AUDITORS' REPORT

Board of Education
Rocky Ford School District R-2
Rocky Ford, Colorado

Report on the Financial Statements

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 Rocky Ford School District R-2, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Rocky Ford School District R-2'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.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Rocky Ford School District R-2, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and pension schedules listed in the table of contents 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.

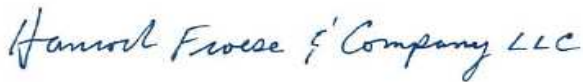
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rocky Ford School District R-2's basic financial statements. The individual major fund financial statements and the Colorado Department of Education Auditors' Electronic Financial Data Integrity Check Figures listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The individual major fund financial statements, the Colorado Department of Education Auditors' Electronic Financial Data Integrity Check Figures and the schedule of expenditures of federal awards 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 information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2016, on our consideration of the Rocky Ford School District R-2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Rocky Ford School District R-2's internal control over financial reporting and compliance.



Hancock Froese & Company LLC

Rocky Ford, Colorado

November 30, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

**ROCKY FORD SCHOOL DISTRICT R2
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

As management of the Rocky Ford School District R-2 (the "District"), we offer readers of the District's Annual Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information provided in the Independent Auditors' report.

FINANCIAL HIGHLIGHTS

- The liabilities of the District exceeded its assets at the close of the most recent fiscal year by \$6,266,357 (net deficit).
- The District's total net position decreased by \$326,731.
- General revenues, primarily property taxes and state equalization payments, account for approximately \$6.8 million or 77 percent of all revenues. Program specific revenues for services, grants and contributions accounted for \$2.0 million or 23 percent of the \$8.8 million in total revenues.
- The general fund ending fund balance is \$2,962,380 which is an increase of \$339,593 from last year.

OVERVIEW OF FINANCIAL STATEMENTS

The management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The Rocky Ford School District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to basic financial statements.

Government-Wide Financial Statements

The financial statements provided are designed to supply the reader an overview of the District's financial activities similar to those statements used in the private sector. The government-wide statements relate to those activities directly related to the education of the students.

The statement of net position presents information on all of the District's assets and liabilities. The difference between the two is reported as net position. Changes in net position from year to year may be used as an indicator of the overall financial position of the District.

The statement of activities presents the current fiscal year revenues and expenses to show how the net position of the district changed during the year. In the statement of activities, changes in net position are recorded when the event occurs. This could mean that information may be reported for revenues and expenses that will result in cash flow differences in future fiscal years.

Governmental activities consolidate all of the following Rocky Ford School District funds: general fund, governmental designated-purpose grants fund, capital projects fund, food services fund and student activity fund. In fiscal year 2014, the business-type activities included only the food service fund.

The Rocky Ford School District has a component unit that is presented in the government wide financial statements. The Foundation for Rocky Ford Schools (the "Foundation") was created to accept and disburse funds for educational purposes for the benefit of the District. The entity has received a tax designation as a 501(c)(3) with the Internal Revenue Code.

Fund Financial Statements

Fund financial statements are designed to display compliance with finance-related legal requirements. A fund is a grouping of related accounts designed to keep control over resources segregated for specific activities or objectives. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds account for the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements emphasize short-term financial resources and fund balances (spendable resources available at the end of the fiscal year). Such information is used to evaluate the District's short-term financing requirements. Comparison of the governmental funds with the government-wide funds may allow the reader to better understand the long-term impact of the District's near-term financing decisions.

Notes to the financial statements

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The assets of the Rocky Ford School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenditures are current assets. These assets are available to provide resources for the near-term operations of the District. Capital assets are used in the operations of the District. These assets include land, buildings, equipment and vehicles.

The following tables provide a summary of the District's net position (deficit) as of June 30, 2016 and 2015:

	<u>Governmental Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Assets:				
Current Assets	\$ 4,239,891	\$ 3,944,091	\$ 4,239,891	\$ 3,944,091
Capital Assets	<u>2,945,804</u>	<u>3,033,226</u>	<u>2,945,804</u>	<u>3,033,226</u>
Total Assets	7,185,695	6,977,317	7,185,695	6,977,317
Deferred Outflows of Resources	<u>1,822,192</u>	<u>699,560</u>	<u>1,822,192</u>	<u>699,560</u>
Total Assets & Deferred Outflow of Resources	<u>\$ 9,007,887</u>	<u>\$ 7,676,877</u>	<u>\$ 9,007,887</u>	<u>\$ 7,676,877</u>
Liabilities:				
Current Liabilities	\$ 772,389	\$ 810,741	\$ 772,389	\$ 810,741
Non-Current Liabilities	<u>14,078,112</u>	<u>12,689,902</u>	<u>14,078,112</u>	<u>12,689,902</u>
Total Liabilities	<u>14,850,501</u>	<u>13,500,643</u>	<u>14,850,501</u>	<u>13,500,643</u>
Deferred Inflows of Resources	<u>423,743</u>	<u>115,860</u>	<u>423,743</u>	<u>115,860</u>
Net Position:				
Net Investment in Capital Assets	2,945,804	3,033,226	2,945,804	3,033,226
Restricted	381,148	372,774	381,148	372,774
Unrestricted	<u>(9,593,309)</u>	<u>(9,345,626)</u>	<u>(9,593,309)</u>	<u>(9,345,626)</u>
Total Net Position	<u>(6,266,357)</u>	<u>(5,939,626)</u>	<u>(6,266,357)</u>	<u>(5,939,626)</u>
Total Liabilities, Deferred Inflow of Resources & Net Position	<u>\$ 9,007,887</u>	<u>\$ 7,676,877</u>	<u>\$ 9,007,887</u>	<u>\$ 7,676,877</u>

Changes in Net Position as of June 30, 2016 and 2015

Following is a summary of the School District's change in net position for the years ending June 30, 2015 and 2014:

	<u>Governmental Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues				
Program Revenues:				
Charges for Services	\$ 326,711	\$ 350,601	\$ 326,711	\$ 350,601
Operating Grants & Contributions	1,688,893	1,590,667	1,688,893	1,590,667
Capital Grants & Contributions	16,195	71,499	16,195	71,499
General Revenues:				
Taxes:				
Property Taxes	916,057	869,490	916,057	869,490
Specific Ownership Taxes	187,482	170,537	187,482	170,537
School Finance Act	5,366,735	5,125,301	5,366,735	5,125,301
Earnings on Investments	102,849	96,698	102,849	96,698
Other	<u>189,443</u>	<u>158,389</u>	<u>189,443</u>	<u>158,389</u>
Total Revenues	<u>8,794,365</u>	<u>8,433,182</u>	<u>8,794,365</u>	<u>8,433,182</u>

Changes in Net Position as of June 30, 2016 and 2015 (Continued)

Expenses

Governmental Activities:

Instruction	5,028,071	5,186,143	5,028,071	5,186,143
Support Service	3,136,769	2,884,862	3,136,769	2,884,862
Community Services	69,836	80,148	69,836	80,148
Food Service Operations	654,726	541,457	654,726	541,457
Student Activities	<u>231,694</u>	<u>215,592</u>	<u>231,694</u>	<u>215,592</u>
Total Expenses	<u>9,121,096</u>	<u>8,908,202</u>	<u>9,121,096</u>	<u>8,908,202</u>
Change in Net Position	(326,731)	(475,020)	(326,731)	(475,020)
Net Position – Beginning	<u>(5,939,626)</u>	<u>(5,464,606)</u>	<u>(5,939,626)</u>	<u>(5,464,606)</u>
Net Position – Ending	<u>\$ (6,266,357)</u>	<u>\$ (5,939,626)</u>	<u>\$ (6,266,357)</u>	<u>\$ (5,939,626)</u>

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the District received \$8,083 per funded student. In fiscal year 2015-2016, the funded pupil count 798.1. Funding for the School Finance Act comes from property taxes, specific ownership taxes and state equalization. The District received approximately 61 percent of its funding from state equalization while the remaining amount comes from property taxes and specific ownership taxes.

Governmental activities for the year ended June 30, 2016 decreased the Rocky Ford School District's net position by \$326,731.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

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

The general fund is the major governmental fund of the Rocky Ford School District. The general fund includes the general fund and the preschool fund. As of June 30, 2016, the general fund shows an ending fund balance of \$2,962,380 up from \$2,622,787 for the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Rocky Ford School District began budget development for the 2015-2016 fiscal year in January 2015 with analysis of enrollment projections and current revenue assumptions. The budget committee, consisting of stakeholders from the schools and the community met monthly prioritizing the needs of the District. The preliminary budget was presented to the Board of Education in May 2015. Adoption of the 2015-2016 budget occurred in June 2015 with revisions made in January 2016. Several supplemental budgets were adopted for the year ending June 30, 2016 because of additional funding and expenditures in the general fund, food service fund and capital projects fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District's net investment in capital assets for its governmental activities as of June 30, 2016 amounts to \$2,945,804. This is a total cost of \$8,339,097 less accumulated depreciation of \$5,393,293. This net investment in capital assets includes land, buildings and improvements, equipment, and capital leases all with an original cost greater than \$5,000. Additional information of the District's capital assets can be found in this report.

As of June 30, 2016, Rocky Ford School District did not have any bonded debt outstanding or capital lease obligations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The budget for 2016-2017 will see a slight increase in revenues due to improvement in economic conditions in the United States, the State of Colorado and the Arkansas Valley where the school district is located. The majority of the increase in revenues that will be received by the district will be offset by the increase in expenditures primarily in retirement benefits and utilities. The District will start the construction of a new football field and track in the summer of 2017, the majority of the funds will come from grants and donations. If these estimates are realized, the District's budgetary general fund balance is not expected to change by the close of 2016.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Manager, Rocky Ford School District, 601 S. 8th Street, Rocky Ford, CO 81067.

BASIC FINANCIAL STATEMENTS

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

STATEMENT OF NET POSITION

JUNE 30, 2016

	GOVERNMENTAL ACTIVITIES	COMPONENT UNIT FOUNDATION
ASSETS		
CURRENT ASSETS		
Cash in bank and savings	\$ 2,408,669	\$ 250,193
Investments	1,507,870	1,435,261
Restricted cash	56,791	21,480
Taxes receivable	83,000	-
Accounts receivable	17,141	-
Grants receivable	141,729	-
Inventories	13,913	-
Accrued interest receivable	10,778	4,383
TOTAL CURRENT ASSETS	4,239,891	1,711,317
CAPITAL ASSETS		
Land	34,575	-
Buildings, Improvements and Equipment	8,304,522	-
Accumulated depreciation	(5,393,293)	-
CAPITAL ASSETS NET OF DEPRECIATION	2,945,804	-
TOTAL ASSETS	7,185,695	1,711,317
DEFERRED OUTFLOWS OF RESOURCES		
Pension related amounts	1,822,192	-
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	40,081	-
Accrued salaries and benefits	646,135	-
Unearned revenues	86,173	30,000
TOTAL CURRENT LIABILITIES	772,389	30,000
NONCURRENT LIABILITIES		
Net pension liabilities	14,078,112	-
TOTAL LIABILITIES	14,850,501	30,000
DEFERRED INFLOWS OF RESOURCES		
Pension related amounts	423,743	-
NET POSITION		
Net investment in capital assets	2,945,804	-
Restricted for:		
3% statutory reserve - TABOR	229,000	-
Preschool	106,222	-
Scholarships	45,926	-
Temporarily restricted	-	1,681,317
Unrestricted (deficit)	(9,593,309)	-
TOTAL NET POSITION (DEFICIT)	\$ (6,266,357)	\$ 1,681,317

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2016

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
GOVERNMENTAL ACTIVITIES:				
Instruction	\$ 5,028,071	\$ 49,378	\$ 1,190,251	\$ 16,195
Support services	3,136,769	-	37,242	-
Community services	69,836	-	-	-
Food services operations	654,726	54,146	461,400	-
Student activities	231,694	223,187	-	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 9,121,096	\$ 326,711	\$ 1,688,893	\$ 16,195
 COMPONENT UNIT:	 \$ 22,359	 \$ -	 \$ -	 \$ 7,128

GENERAL REVENUES

- Taxes
 - Property taxes
 - Specific ownership taxes
- School finance act
- Earnings on investments
- Other

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION (DEFICIT) - BEGINNING

NET POSITION (DEFICIT) - ENDING

GOVERNMENTAL ACTIVITIES	COMPONENT UNIT FOUNDATION
\$ (3,772,247)	\$ -
(3,099,527)	-
(69,836)	-
(139,180)	-
(8,507)	-
(7,089,297)	-
	(15,231)
	-
916,057	-
187,482	-
5,366,735	-
102,849	22,543
189,443	-
6,762,566	22,543
(326,731)	7,312
(5,939,626)	1,674,005
\$ (6,266,357)	\$ 1,681,317

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2016

	MAJOR GOVERNMENTAL FUNDS			
	GENERAL	CAPITAL PROJECTS	DESIGNATED PURPOSE GRANTS FUND	FOOD SERVICES
ASSETS				
Cash in bank and savings	\$ 2,059,420	\$ 176,643	\$ 3,597	\$ 38,403
Investments	1,507,870	-	-	-
Restricted cash	-	-	-	-
Taxes receivable	83,000	-	-	-
Accounts receivable	10,286	-	-	6,855
Grants receivable	72,081	-	58,905	10,743
Accrued interest receivable	10,778	-	-	-
TOTAL ASSETS	\$ 3,743,435	\$ 176,643	\$ 62,502	\$ 56,001
LIABILITIES				
Accounts payable	\$ 33,820	\$ -	\$ 1,075	\$ 4,869
Accrued salaries and benefits	578,390	-	61,099	-
Unearned revenue	85,845	-	328	-
TOTAL LIABILITIES	698,055	-	62,502	4,869
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	83,000	-	-	-
FUND BALANCE				
Restricted for 3% statutory reserve-TABOR	229,000	-	-	-
Restricted for preschool	106,222	-	-	-
Restricted for scholarships	-	-	-	-
Assigned for capital projects	-	176,643	-	-
Assigned for food services	-	-	-	51,132
Assigned for student activities	-	-	-	-
Unassigned reported in:				
General fund	2,627,158	-	-	-
TOTAL FUND BALANCE	2,962,380	176,643	-	51,132
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 3,743,435	\$ 176,643	\$ 62,502	\$ 56,001

See Notes To Financial Statements

STUDENT ACTIVITIES	TOTAL GOVERNMENTAL FUNDS
\$ 130,606	\$ 2,408,669
-	1,507,870
56,791	56,791
-	83,000
-	17,141
-	141,729
-	10,778
<u>\$ 187,397</u>	<u>\$ 4,225,978</u>
\$ 317	\$ 40,081
-	639,489
-	86,173
<u>317</u>	<u>765,743</u>
-	83,000
-	229,000
-	106,222
56,791	56,791
-	176,643
-	51,132
130,289	130,289
-	2,627,158
<u>187,080</u>	<u>3,377,235</u>
<u>\$ 187,397</u>	<u>\$ 4,225,978</u>

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

JUNE 30, 2016

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION
ARE DIFFERENT BECAUSE:

Governmental funds total fund balances		\$ 3,377,235
Unearned 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.		83,000
Capital assets used in governmental funds are not considered current financial resources and, therefore, not reported in the governmental funds.		8,339,097
Inventory. Inventories are expensed in the governmental funds upon acquisition, but recognized as an asset in the government wide financial statements.		13,913
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.		(5,393,293)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Compensated absences	\$ (6,646)	
Net pension liabilities	(14,078,112)	
Deferred outflows of resources - pension related amounts	1,822,192	
Deferred inflows of resources - pension related amounts	(423,743)	
		(12,686,309)
Governmental activities net position (deficit)		\$ (6,266,357)

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2016

	MAJOR GOVERNMENTAL FUNDS			
	GENERAL	CAPITAL PROJECTS	DESIGNATED PURPOSE GRANTS FUND	FOOD SERVICES
REVENUES				
Local sources	\$ 1,395,964	\$ 23,934	\$ -	\$ 54,146
State sources	5,823,338	-	-	-
Federal sources	229,907	-	572,489	461,400
Student activities	-	-	-	-
TOTAL REVENUES	7,449,209	23,934	572,489	515,546
EXPENDITURES				
Instruction	4,056,657	-	572,489	-
Support services	2,692,123	61,504	-	-
Community services	69,836	-	-	-
Capital outlay	-	223,476	-	-
Food service operations	-	-	-	556,117
Student activities	-	-	-	-
TOTAL EXPENDITURES	6,818,616	284,980	572,489	556,117
REVENUES OVER (UNDER) EXPENDITURES	630,593	(261,046)	-	(40,571)
OTHER FINANCING SOURCES (USES)				
Transfer in (out)	(291,000)	231,000	-	60,000
NET CHANGE IN FUND BALANCE	339,593	(30,046)	-	19,429
FUND BALANCE JULY 1	2,622,787	206,689	-	31,703
FUND BALANCE JUNE 30	\$ 2,962,380	\$ 176,643	\$ -	\$ 51,132

See Notes To Financial Statements

STUDENT ACTIVITIES	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ 1,474,044
-	5,823,338
-	1,263,796
223,187	223,187
223,187	8,784,365
-	4,629,146
-	2,753,627
-	69,836
-	223,476
-	556,117
231,694	231,694
231,694	8,463,896
(8,507)	320,469
-	-
(8,507)	320,469
195,587	3,056,766
\$ 187,080	\$ 3,377,235

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2016

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES
ARE DIFFERENT BECAUSE:

Governmental funds changes in fund balances	\$	320,469
<p>Unearned property tax revenue. Revenues that do not provide current financial resources are deferred on the governmental fund statements but recognized on the government - wide financial statements.</p>		
		83,000
<p>Governmental funds report capital outlays as expenditures. In the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation. This is the amount by which capital outlays differ from depreciation in the current period.</p>		
Capital outlay	\$	178,098
Depreciation expense and gain on disposition		<u>(265,520)</u>
		(87,422)
<p>Unearned property taxes of the prior year. Property taxes earned but deferred in the prior year and recognized in the current year are recognized in the prior year net position on the statement of activities.</p>		
		(73,000)
<p>Inventories. Inventories are expensed at acquisition in the governmental funds and reported as expenses when used in the government wide statements.</p>		
		4,315
<p>In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used or due (essentially, the amounts actually paid). This amount represents the net effect of compensated absences and pension related amounts on the statement of activities.</p>		
Compensated absences	\$	(632)
Pension related amounts		<u>(573,461)</u>
		<u>(574,093)</u>
Governmental activities change in net position	\$	<u><u>(326,731)</u></u>

NOTES TO BASIC FINANCIAL STATEMENTS

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE - 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Rocky Ford School District, R-2 (the "District") is governed by an elected five member Board of Education. The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Rocky Ford, Colorado. 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.

FINANCIAL REPORTING ENTITY

The inclusion or exclusion of component units is based on a determination of the elected official's financial accountability to their constituents, and whether the financial reporting entity follows the same accountability. Further, the financial statements of the reporting entity should enable the reader to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. The criteria used for determining whether an entity should be included, either blended or discretely presented, includes but is not limited to, fiscal dependency with a financial benefit or burden relationship, imposition of will, legal standing and the primary recipient of services.

The District is not included in any other governmental "reporting entity" as defined in GASB No. 14 and amended by GASB No. 39 and GASB No. 61. As required by accounting principles generally accepted in the United States of America, these basic financial statements present the District (the primary government) and its component units, if applicable.

Component Unit

Currently the District has a component unit that is discretely presented in the government-wide financial statements, the Foundation for Rocky Ford Schools (the "Foundation"). The Foundation was created to accept and disburse funds, property and gifts of any kind exclusively for educational purposes for the benefit of the District. The entity is discretely presented due to the accounting principles utilized by the Foundation differing from governmental accounting principles generally accepted in the United States of America. For the year ended June 30, 2016, the District received \$21,336 in capital contributions from the Foundation.

The Foundation is exempt from federal income tax under Section 501(c)3 of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income, if applicable.

The Foundation adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Foundation has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Foundation believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Foundation's financial condition, results of operations or cash flows. Accordingly, the Foundation has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2016.

The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Foundation believes it is no longer subject to income tax examinations for years prior to 2013.

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE - 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Jointly Governed Organizations

The District in conjunction with other local school districts has created a Board of Cooperative Educational Services. The Board is composed of one member from each of the participating school districts. The District has paid \$191,082 to BOCES during the fiscal year in exchange for services. Financial Statements may be obtained by writing to: Santa Fe Trail BOCES, 302 Colorado Avenue, P.O. Box 980, La Junta, CO 81050.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from the component unit.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

Financial statements are provided for governmental funds. Major individual governmental funds are: General Fund, Capital Projects Fund, Federal Grant Fund, Food Service Fund and Student Activity Fund.

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 inter-fund activity has been eliminated from the government-wide financial statements.

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 unassigned fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days after year-end.

Property taxes are reported as receivables and deferred revenue 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 and a deferred revenue/unearned revenue exists when assets have been recognized, but the related revenue has not been recognized, since the assets are not collected within the current period.

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE - 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered 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, fund equity, revenues and expenditures, or expenses, as appropriate. The District's 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

General Fund - The general fund is the general operating fund of the District; used to account for all resources that are not legally or by sound financial management to be accounted for in another fund.

Capital Projects Fund – Used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The use of the term capital outlay allows for the inclusion of expenditures for items that are capital in nature but may not qualify for financial reporting as capital assets under a government's capitalization policy. The capital projects fund excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Designated Purpose Grants Fund – Used to account for resources of various federal grant programs.

Food Services Fund – This fund accounts for all financial activities associated with the District's school breakfast and lunch programs.

Student Activity Fund – Used to account for the various activities of the students and other restricted funds. These activities are supported in whole or in part by revenues from pupils, gate receipts and other fund-raising activities.

Investments

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's investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price.

Receivables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. In the fund financial statements, these receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Intergovernmental receivables include amounts due from grantors for specific program grants. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred. Property taxes levied in 2016, but not yet collected in 2017, are identified as property taxes receivable.

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE - 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Materials and supplies inventories are stated at cost using the first-in first-out method of determining cost.

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 governmental activities column 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.

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets. Estimated useful lives are:

	<u>Years</u>
Motor vehicles	4-10
Equipment	4-30
Buildings and improvements	10-80

Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities statement of net position. The District's capital leases are serviced from property taxes and other revenues of the General Fund and the Capital Projects Fund.

Accrued Vacation and Sick Pay

District policy allows employees to accumulate unused vacation pay up to a specified limit and is paid annually for sick leave accumulated in excess of 70 days. Accrued vacation and sick leave is payable upon resignation, termination, retirement or death.

In accordance with the governmental accounting standards, the District has recorded the accrued liability for vacation pay in the accompanying district wide financial statements. The amounts are accrued as expenses when incurred in the funds of the District.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities of net position. Net pension liabilities, associated with the School Division Trust Fund (SCHDTF) administered by PERA, represent the District's proportionate share of total pension liabilities less the fiduciary net position. Amounts 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. Pension related deferred outflows and inflows are reported as such and will be recognized in the collective pension expense in subsequent years. The employer portions of contributions made to the SCHDTF are reported as benefit expenditures in the current period.

Unearned Revenue

Unearned revenues represent assets received (measurable) but not yet earned. In the statement of net position, unearned revenues represent grant funds received, but not yet earned as the related service has not yet been provided.

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE - 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenue

Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental funds represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period, or in the case of property taxes, levied for a future period. Deferred revenue consists of the succeeding year's property taxes.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position 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. The District has one item that qualifies for reporting in this category which is for pension related amounts.

Pension related amounts include items related to the District's portion of the Colorado Public Employees Retirement Association (PERA) benefit plans. This includes the difference between expected and actual experience, any changes of assumptions or other inputs, and the net difference between projected and actual investment earnings on pension plan investments. More information on pension related items is included in Note 6.

In addition to liabilities, the statement of financial position and 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. The District has two items reported in this category.

The item, property taxes levied for subsequent years, arises only under a modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable, and are recognized as an inflow of resources in the period they are collected.

The other item included in this category is the pension related deferred inflows of resources. These deferred inflows result from the difference between expected and actual experience, the changes of assumptions of other inputs, and the net difference between projected and actual investment earnings on pension plan investments. More information on pension related items is included in Note 6.

Fund Balance

In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. GASB Statement Number 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications and by clarifying the definitions of existing governmental fund types. As a result, fund balances are reported in classifications based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used:

Nonspendable fund balance - amounts that are not in spendable form (such as inventory) or required to be maintained intact;

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE - 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the General Fund.

The Board of Education establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. Assigned fund balance is established through the adoption or amendment of the budget as intended for specific purposes.

When both restricted and unrestricted resources are available in governmental funds, the District applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

Preschool - This reserve of fund balance is the amount of fund balance from the Preschool Fund, which is a sub-fund of the General Fund. Beginning in fiscal year 2002, the State of Colorado mandated separate fund accounting for the Colorado Preschool Program. The program serves children in need of language development or social development, or who are receiving aid as neglected or dependent children.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budgetary Information

Expenditures may not legally exceed appropriations at the fund level. For the year ended June 30, 2016, expenditures exceeded appropriations in the Food Services Fund.

Accounting Principles

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

NOTE - 2 DEPOSITS AND INVESTMENTS

Deposits

The District's investment policies are approved by the Board of Education and governed by Colorado statute. The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determined eligibility. 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 102% of the uninsured deposits.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end the District's bank balance was either insured or collateralized with securities held by the pledging financial institution through PDPA.

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE - 2 DEPOSITS AND INVESTMENTS (Continued)

District Investments

As of June 30, 2016, the District had the following investments:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
U.S. Agencies	Variable	\$ 6,062
	2019	94,049
	2025	463,328
	2030	569,390
	2033	<u>375,041</u>
Total		<u>\$ 1,507,870</u>

Credit Risk - State law limits investments for school districts to U.S. treasury issues, other federally backed notes and credits, and other agency offerings (not based on derivatives) without limitation. Other investment instruments including bank obligations, general obligation bonds, and commercial paper are limited to at least one of the highest rating categories of at least one nationally recognized rating agency. State law further limits investments in money market funds that are organized according to the Federal Investment Company Act of 1940, as specified in rule 2a-7, as amended, as long as such rule does not increase remaining maturities beyond a maximum of three years. Investments in these funds require that the institution have assets in excess of \$1 billion or the highest credit rating from one or more of a nationally recognized rating agency.

Interest Rate Risk - The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates. The Colorado revised statute 24-75-601 limits investment maturities to five years or less without governing board approval.

Foundation Investments

As of June 30, 2016, the Foundation had the following investments:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
U.S. Agencies and Banks	2017	\$ 272,443
	2018	402,808
	2019	222,741
	2020	337,267
	2021	<u>200,002</u>
Total		<u>\$ 1,435,261</u>

The Foundation investment policies correspond to the District.

NOTE - 3 PROPERTY TAXES

Property taxes are levied on December 15 and attach as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. The County bills and collects property taxes for all taxing districts in the County. The property tax receipts collected by the County are remitted to the District in the subsequent month. Property taxes that are uncollected at the end of the fiscal year are expected to be utilized as a financing source in the following fiscal year and are reported as receivable and deferred revenue.

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE - 4 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	<u>Balances June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances June 30, 2016</u>
<u>Governmental Activities:</u>				
Non-depreciable assets:				
Land	\$ 34,575	\$ -	\$ -	\$ 34,575
Depreciable assets:				
Land improvements	292,539	-	-	292,539
Buildings	6,606,985	-	-	6,606,985
Equipment	<u>1,226,900</u>	<u>178,098</u>	-	<u>1,404,998</u>
Total depreciable assets	<u>8,126,424</u>	<u>178,098</u>	-	<u>8,304,522</u>
Less accumulated Depreciation for:				
Land improvements	(234,205)	(6,943)	-	(241,148)
Buildings	(3,993,876)	(185,082)	-	(4,178,958)
Equipment	<u>(899,692)</u>	<u>(73,495)</u>	-	<u>(973,187)</u>
Total accumulated depreciation	<u>(5,127,773)</u>	<u>(265,520)</u>	-	<u>(5,393,293)</u>
Total capital assets net	<u>\$ 3,033,226</u>	<u>\$ (87,422)</u>	<u>\$ -</u>	<u>\$ 2,945,804</u>

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

Governmental Activities:	
Instruction	\$ 203,760
Food service operations	3,273
Support services	<u>58,487</u>
Total depreciation expense – governmental activities	<u>\$ 265,520</u>

NOTE - 5 ACCRUED TEACHERS' SALARIES AND EMPLOYEE BENEFITS

Teachers' contracts are for a nine or ten-month period; but are paid in twelve equal payments. At the end of the fiscal year an accrual exists for the difference between the amounts due on the contract and the amounts paid.

NOTE - 6 DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE - 6 DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan

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

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

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

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

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

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

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

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

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

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

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE - 6 DEFINED BENEFIT PENSION PLAN (Continued)

	For the Year Ended June 30, 2016	For the Year Ended June 30, 2015
Employer Contribution Rate ¹	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF ¹	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	4.50%	4.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	4.50%	4.00%
Total Employer Contribution Rate to the SCHDTF¹	18.13%	17.33%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$748,551 for the year ended June 30, 2016.

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

At June 30, 2016, the District reported a liability of \$14,078,112 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The District proportion of the net pension liability was based on District contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, the District's proportion was 0.09205%, which was a decrease of 0.00158 from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$1,322,012. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ (423,743)
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	1,432,551	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	389,641	-
Total	\$ 1,822,192	\$ (423,743)

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE – 6 DEFINED BENEFIT PENSION PLAN (Continued)

\$389,641 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	\$ 277,145
2018	277,145
2019	277,145
2020	177,373

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

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

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

- 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.
 - Refinement 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.

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.

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE – 6 DEFINED BENEFIT PENSION PLAN (Continued)

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:

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 assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the SCHDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$ 18,249,348	\$ 14,078,112	\$ 10,608,422

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.

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE – 7 DEFINED CONTRIBUTION PENSION PLAN

Plan Description - Employees of the District 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, employer contributions and investment earnings. For the year ended June 30, 2016, program members contributed \$0 and the District recognized pension expense and a liability of \$0 and \$0, respectively, for the Voluntary Investment Program.

NOTE - 8 OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

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

Funding Policy – The District is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2016, 2015, 2014, the District contributions to the HCTF were \$75,229, \$70,459 and \$39,650, respectively, equal to their required contributions for each year.

NOTE -9 TRANSFERS

Transfers are used to move revenues from the fund that collects them to specific programs accounted for in other funds, in accordance with budget authorization. Transferred funds are without recourse. Transfers during the fiscal year ended June 30, 2016, were as follows:

Transfers From	Transfers To	Amount
General	Food Services	\$ 60,000
General	Capital Projects	231,000
		\$ 291,000

NOTE -10 CONTINGENT LIABILITIES

The District receives revenues from various Federal and State grant programs, which are subject to final review and approval as to allowability by the respective grantor agency. Management believes disallowances, if any, would be immaterial.

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -11 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of; damage to; and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Colorado School Districts Self Insurance Pool, which operates as a self insurance pool comprised of various School Districts and other related public educational entities within the State of Colorado. The District pays an annual premium to the Pool for its property and liability insurance.

For Workers' Compensation, health, accident, and other types of insurance programs maintained by the District, commercial insurance companies are utilized. Settled claims have not exceeded insurance coverage in each of the last three years.

NOTE -12 TAX SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention on such revenue.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualifications as an enterprise will require judicial interpretation. Accordingly, the possibility exists that the District's interpretation of certain TABOR provisions may subsequently be determined to be incorrect.

In November 1996 the voters of the District approved an amendment to allow the District to collect, retain and spend all revenues and other funds collected from any source not withstanding the limitations of Article X, Section 20 of the Colorado Constitution.

NOTE -13 SUBSEQUENT EVENTS

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

NOTE -14 COMMITMENTS

The District entered into a power purchase agreement where the District has agreed to purchase all of the power produced by solar facility at rates set forth in the agreement. The agreement is for a period of twenty years beginning in 2010.

REQUIRED SUPPLEMENTAL INFORMATION

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

GENERAL FUND

STATEMENTS OF REVENUES, EXPENDITURES AND FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Local sources	\$ 1,279,211	\$ 1,279,211	\$ 1,395,964	\$ 116,753
State sources	5,783,363	5,783,363	5,823,875	40,512
Federal sources	224,635	297,439	229,370	(68,069)
TOTAL REVENUES	7,287,209	7,360,013	7,449,209	89,196
EXPENDITURES				
Instruction	3,998,180	4,070,984	4,056,657	14,327
Supporting services				
Pupils	173,160	173,160	166,979	6,181
Instruction staff	336,224	336,224	323,463	12,761
General administration	222,350	222,350	223,754	(1,404)
School administration	574,153	574,153	553,179	20,974
Other business services	147,640	147,640	142,020	5,620
Operations and maintenance	986,659	986,659	982,817	3,842
Pupil transportation	245,395	245,395	243,075	2,320
Support services	66,229	66,229	56,836	9,393
Community services	71,000	71,000	69,836	1,164
TOTAL EXPENDITURES	6,820,990	6,893,794	6,818,616	75,178
REVENUES OVER (UNDER) EXPENDITURES	466,219	466,219	630,593	164,374
OTHER FINANCING SOURCES				
Transfers in (out)	(271,000)	(271,000)	(291,000)	(20,000)
NET CHANGE IN FUND BALANCE	195,219	195,219	339,593	144,374
FUND BALANCE JULY 1	2,622,787	2,622,787	2,622,787	-
FUND BALANCE JUNE 30	\$ 2,818,006	\$ 2,818,006	\$ 2,962,380	\$ 144,374

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

CAPITAL PROJECTS FUND

STATEMENTS OF REVENUES, EXPENDITURES AND FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Insurance proceeds	\$ 6,589	\$ 6,589	\$ 6,589	\$ -
Contributions	-	18,000	16,195	(1,805)
Sale of assets	-	-	1,150	1,150
TOTAL REVENUES	6,589	24,589	23,934	(655)
EXPENDITURES				
Capital outlay	87,000	105,000	223,476	(118,476)
Major repairs	187,000	187,000	61,504	125,496
TOTAL EXPENDITURES	274,000	292,000	284,980	7,020
REVENUES OVER (UNDER) EXPENDITURES	(267,411)	(267,411)	(261,046)	6,365
OTHER FINANCING SOURCES				
Transfer from general fund	231,000	231,000	231,000	-
NET CHANGE IN FUND BALANCE	(36,411)	(36,411)	(30,046)	6,365
FUND BALANCE JULY 1	206,689	206,689	206,689	-
FUND BALANCE JUNE 30	\$ 170,278	\$ 170,278	\$ 176,643	\$ 6,365

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

DESIGNATED PURPOSE GRANTS FUND

STATEMENTS OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Federal grants earned	<u>\$ 648,768</u>	<u>\$ 648,768</u>	<u>\$ 572,489</u>	<u>\$ (76,279)</u>
EXPENDITURES				
Instruction	<u>\$ 648,768</u>	<u>\$ 648,768</u>	<u>\$ 572,489</u>	<u>\$ 76,279</u>

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

FOOD SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Meal charges				
Students and faculty	\$ 57,000	\$ 57,000	\$ 30,495	\$ (26,505)
Special events	8,385	8,385	13,459	5,074
Federal reimbursement	399,489	399,489	461,400	61,911
Other	5,600	5,600	10,192	4,592
TOTAL REVENUES	470,474	470,474	515,546	45,072
EXPENDITURES				
Salaries and benefits	20,842	20,842	20,879	(37)
Contracted services	460,000	480,000	494,619	(14,619)
Supplies	23,632	23,632	31,715	(8,083)
Repairs & maintenance	6,000	6,000	8,904	(2,904)
TOTAL EXPENDITURES	510,474	530,474	556,117	(25,643)
REVENUES OVER (UNDER) EXPENDITURES	(40,000)	(60,000)	(40,571)	19,429
OTHER FINANCING SOURCES				
Transfer in (out)	40,000	60,000	60,000	-
NET CHANGE IN FUND BALANCE	-	-	19,429	19,429
FUND BALANCE JULY 1	31,703	31,703	31,703	-
FUND BALANCE JUNE 30	\$ 31,703	\$ 31,703	\$ 51,132	\$ 19,429

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

STUDENT ACTIVITY FUNDS

STATEMENTS OF REVENUES, EXPENDITURES AND FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES				
Student activities	\$ 250,000	\$ 250,000	\$ 223,187	\$ (26,813)
EXPENDITURES				
Student activities	<u>250,000</u>	<u>250,000</u>	<u>231,694</u>	<u>18,306</u>
REVENUES OVER (UNDER) EXPENDITURES	-	-	(8,507)	(8,507)
FUND BALANCE JULY 1	<u>195,587</u>	<u>195,587</u>	<u>195,587</u>	-
FUND BALANCE JUNE 30	<u><u>\$ 195,587</u></u>	<u><u>\$ 195,587</u></u>	<u><u>\$ 187,080</u></u>	<u><u>\$ (8,507)</u></u>

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

DEFINED BENEFIT PENSION PLAN

LAST 3 FISCAL YEARS *

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.092048135%	0.093629209%	0.094863802%
District's proportionate share of the net pension liability	14,078,112	12,689,902	12,099,852
District's covered-employee payroll	4,248,825	4,232,830	4,101,828
District's proportionate share of the net pension liability as a percentage of its covered - employee payroll	331.34%	299.80%	294.99%
Plan fiduciary net position as a percentage of the total pension liability	59.16%	62.84%	64.07%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

SCHEDULE OF DISTRICT CONTRIBUTIONS

DEFINED BENEFIT PENSION PLAN

LAST 3 FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 673,322	\$ 648,222	\$ 621,374
Contributions in relation to the contractually required contribution	<u>(673,322)</u>	<u>(648,222)</u>	<u>(621,374)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 4,248,825	\$ 4,232,830	\$ 4,101,828
Contributions as a percentage of covered-employee payroll	15.85%	15.31%	15.15%

ROCKY FORD SCHOOL DISTRICT R2
OTERO COUNTY COLORADO

NOTE TO REQUIRED SUPPLEMENTAL INFORMATION

NOTE -1 BUDGETS AND BUDGETARY ACCOUNTING

Budgets are required by state law for all funds. At least thirty days prior to July 1, the Superintendent submits to the Board of Education a proposed budget for all funds for the fiscal year commencing the following July 1. The budget includes proposed expenditures and means of financing them.

Public hearings are conducted by the Board of Education to obtain taxpayer comments. The budget must be adopted by formal resolution prior to June 30, although it may be subsequently revised by January 31 of the following year.

Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments, within any fund and the reallocation of budget line items within any department or within any fund rests with the Superintendent of Schools. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Board of Education throughout the fiscal year. Appropriations are based on total resources expected to be available in each budget year, including reserves as established by the Board of Education. Variances between budget and actual expenditures result from non-expenditure of reserves, nonoccurrence of anticipated events, scheduling of capital projects and normal operating variances.

SUPPLEMENTAL INFORMATION

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

GENERAL FUND

BALANCE SHEET

JUNE 30, 2016 AND 2015

	2016	2015
ASSETS		
Cash in bank and savings	\$ 2,059,420	\$ 1,841,842
Investments	1,507,870	1,377,431
Taxes receivable	83,000	73,000
Accounts receivable	10,286	3,569
Grants receivable	72,081	49,418
Accrued interest receivable	10,778	6,009
	\$ 3,743,435	\$ 3,351,269
LIABILITIES		
Accounts payable	\$ 33,820	\$ 45,215
Accrued salaries and benefits	578,390	547,040
Unearned revenue	85,845	63,227
	698,055	655,482
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - property taxes	83,000	73,000
FUND BALANCE		
Restricted for 3% statutory reserve - TABOR	229,000	217,000
Restricted for preschool	106,222	97,372
Unassigned	2,627,158	2,308,415
	2,962,380	2,622,787
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 3,743,435	\$ 3,351,269

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCE

YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
REVENUES		
Local sources	\$ 1,395,964	\$ 1,335,890
State sources	5,823,338	5,358,063
Federal sources	229,907	279,497
	7,449,209	6,973,450
 TOTAL REVENUES		
EXPENDITURES		
Instruction	4,056,657	4,016,791
Supporting services		
Pupils	166,979	93,581
Instruction staff	323,463	304,846
General administration	223,754	198,530
School administration	553,179	584,281
Other business services	142,020	144,619
Operations and maintenance	982,817	943,352
Pupil transportation	243,075	242,508
Support services	56,836	82,783
Community services	69,836	80,148
	6,818,616	6,691,439
 TOTAL EXPENDITURES		
 REVENUES OVER (UNDER) EXPENDITURES	630,593	282,011
OTHER FINANCING SOURCES (USES)		
Transfers in (out)	(291,000)	(299,800)
	339,593	(17,789)
 NET CHANGE IN FUND BALANCE		
 FUND BALANCE JULY 1	2,622,787	2,640,576
 FUND BALANCE JUNE 30	\$ 2,962,380	\$ 2,622,787

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

CAPITAL PROJECTS FUND

BALANCE SHEET

JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash in bank and savings	\$ 176,643	\$ 207,563
	<u>176,643</u>	<u>207,563</u>
LIABILITIES		
Accounts payable	\$ -	\$ 874
FUND BALANCE		
Assigned for capital projects	176,643	206,689
	<u>176,643</u>	<u>206,689</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 176,643</u>	<u>\$ 207,563</u>

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCE

YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Insurance proceeds	\$ 6,589	\$ -
Contributions	16,195	71,499
Sale of assets	1,150	38,700
	<u>23,934</u>	<u>110,199</u>
TOTAL REVENUES	<u>23,934</u>	<u>110,199</u>
EXPENDITURES		
Capital outlay	223,476	245,470
Major repairs	61,504	27,108
	<u>284,980</u>	<u>272,578</u>
TOTAL EXPENDITURES	<u>284,980</u>	<u>272,578</u>
REVENUES OVER (UNDER) EXPENDITURES	(261,046)	(162,379)
OTHER FINANCING SOURCES		
Transfer from general fund	231,000	239,800
	<u>231,000</u>	<u>239,800</u>
NET CHANGE IN FUND BALANCE	(30,046)	77,421
FUND BALANCE JULY 1	<u>206,689</u>	<u>129,268</u>
FUND BALANCE JUNE 30	<u>\$ 176,643</u>	<u>\$ 206,689</u>

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

DESIGNATED PURPOSE GRANTS FUND

BALANCE SHEET

JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash in bank	\$ 3,597	\$ 125,322
Grants receivable	58,905	-
	<u>62,502</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 62,502</u></u>	<u><u>\$ 125,322</u></u>
LIABILITIES		
Accounts Payable	\$ -	\$ 911
Due to state and others	1,075	1,075
Accrued salaries and benefits	61,099	73,317
Unearned revenues	328	50,019
	<u>62,502</u>	<u>125,322</u>
TOTAL LIABILITIES	<u><u>\$ 62,502</u></u>	<u><u>\$ 125,322</u></u>

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

DESIGNATED PURPOSE GRANTS FUND

STATEMENT OF REVENUES AND EXPENDITURES

YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Federal grants earned	<u>\$ 572,489</u>	<u>\$ 690,232</u>
 EXPENDITURES		
Instruction	<u>\$ 572,489</u>	<u>\$ 690,232</u>

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

FOOD SERVICES FUND

BALANCE SHEET

JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash in bank	\$ 38,403	\$ 30,963
Accounts receivable	6,855	2,919
Grants receivable	10,743	20,042
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 56,001</u>	<u>\$ 53,924</u>
 LIABILITIES		
Accounts payable	\$ 4,869	\$ 5,316
Accrued salaries and benefits	-	16,905
	<hr/>	<hr/>
TOTAL LIABILITIES	4,869	22,221
 FUND BALANCE		
Assigned for food services	51,132	31,703
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 56,001</u>	<u>\$ 53,924</u>

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

FOOD SERVICES FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
REVENUES		
Meal charges		
Students and faculty	\$ 30,495	\$ 44,772
Special events	13,459	17,687
Federal reimbursement	461,400	413,714
Other	10,192	8,538
	515,546	484,711
TOTAL REVENUES		
EXPENDITURES		
Salaries and benefits	20,879	208,414
Contracted services	494,619	322,279
Supplies	31,715	1,795
Repairs and maintenance	8,904	5,696
	556,117	538,184
TOTAL EXPENDITURES		
REVENUES OVER (UNDER) EXPENDITURES	(40,571)	(53,473)
OTHER FINANCING SOURCES (USES)		
Transfers in (out)	60,000	60,000
	19,429	6,527
NET CHANGE IN FUND BALANCE		
FUND BALANCE JULY 1	31,703	25,176
FUND BALANCE JUNE 30	\$ 51,132	\$ 31,703

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

STUDENT ACTIVITY FUNDS

BALANCE SHEET

JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash in bank	\$ 130,606	\$ 138,013
Restricted cash	56,791	58,402
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 187,397</u>	<u>\$ 196,415</u>
LIABILITIES		
Accounts payable	\$ 317	\$ 828
	<u> </u>	<u> </u>
FUND BALANCE		
Restricted for scholarships	56,791	58,402
Assigned for student activities	130,289	137,185
	<u> </u>	<u> </u>
TOTAL FUND BALANCE	<u>187,080</u>	<u>195,587</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 187,397</u>	<u>\$ 196,415</u>

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

STUDENT ACTIVITY FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCE

YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Student activities	\$ 223,187	\$ 227,366
EXPENDITURES		
Student activities	<u>231,694</u>	<u>215,592</u>
REVENUES OVER (UNDER) EXPENDITURES	(8,507)	11,774
FUND BALANCE JULY 1	<u>195,587</u>	<u>183,813</u>
FUND BALANCE JUNE 30	<u><u>\$ 187,080</u></u>	<u><u>\$ 195,587</u></u>

SINGLE AUDIT SECTION

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2016

PROGRAM TITLE	Federal CFDA Number	Pass- Through Entity Identifying Number	Passed through to Subrecipients	Expenditures
U.S. DEPARTMENT OF EDUCATION				
Passed Through Colorado Department of Education:				
Title I Grants to Local Educational Agencies	84.010	4010		\$ 568,412
Title I Grants to Local Educational Agencies	84.010	5010		75,000
Rural Education	84.358	4358		4,078
Race to the Top ? Early Learning Challenge	84.412	5412		537
Passed Through the State Board of Community Colleges:				
Career and Technical Education - Basic Grants to States	84.048	5048		12,098
Total U.S. Department of Education				660,125
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Otero County, Colorado:				
Temporary Assistance for Needy Families	93.558	8558		38,339
Total U.S. Department of Health and Human Services				38,339
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Colorado Department of Education:				
School Breakfast Program	* 10.553	4553		113,092
National School Lunch Program	* 10.555	4555		286,930
Summer Food Service Program For Children	* 10.559	4559		7,154
Fresh Fruit and Vegetable Program	10.582	4582		22,509
Passed Through State Department of Human Services:				
USDA Commodities	* 10.555	4010-4555		28,403
Total U.S. Department of Agriculture				458,088
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 1,156,552

* Represents those programs that are considered to be clusters of programs.

ROCKY FORD SCHOOL DISTRICT R-2
OTERO COUNTY, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE -1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Rocky Ford School District R-2 under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the Rocky Ford School District R-2, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Rocky Ford School District R-2.

NOTE – 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE – 3 INDIRECT COST RATES

The Rocky Ford School District R-2 has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

HANCOCK FROESE & COMPANY LLC
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ROCKY FORD, COLORADO 81067

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Andrew H. Froese CPA 719-980-1962

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Education
Rocky Ford School District R-2
Rocky Ford, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Rocky Ford School District R-2's (District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Rocky Ford School District R-2's (District) basic financial statements, and have issued our report thereon dated November 30, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Rocky Ford School District R-2's (District) internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Rocky Ford School District R-2's (District) internal control. Accordingly, we do not express an opinion on the effectiveness of the Rocky Ford School District R-2's (District) internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Rocky Ford School District R-2's (District) financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hammond Froese & Company LLC

Rocky Ford, Colorado
November 30, 2016

HANCOCK FROESE & COMPANY LLC
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601 SOUTH EIGHTH STREET
ROCKY FORD, COLORADO 81067

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Rocky Ford School District R-2
Rocky Ford, Colorado

Report on Compliance for Each Major Federal Program

We have audited the Rocky Ford School District R-2's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Rocky Ford School District R-2's (District) major federal programs for the year ended June 30, 2016. The Rocky Ford School District R-2's (District) major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Rocky Ford School District R-2's (District) major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Rocky Ford School District R-2's (District) compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Rocky Ford School District R-2's (District) compliance.

Opinion on Each Major Federal Program

In our opinion, the Rocky Ford School District R-2's (District) complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of the Rocky Ford School District R-2's (District) is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Rocky Ford School District R-2's (District) internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Rocky Ford School District R-2's (District) internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Harold F. Foose & Company LLC

Rocky Ford, Colorado
November 30, 2016

**Rocky Ford School District R-2
Otero County, Colorado**

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	Unmodified	
Internal control over financial reporting		
• Material weakness(es) identified?	___ yes	_X_ no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	___yes	_X_ no
Noncompliance material to financial statements noted	___yes	_X_ no

Federal Awards

Internal control over major programs		
• Material weakness(es) identified?	___ yes	_X_ no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	___yes	_X_ no
Type of auditor’s report issued on compliance for major program:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133	___yes	_X_ no

CFDA Number(s)	Name of Federal Program or Cluster
10.553, 10.555 and 10.559	Child Nutrition Cluster
Dollar threshold used to distinguish Between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee	_X_ yes ___no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Prior Year Findings

There were no findings in the prior year that were required to be reported.

**COLORADO DEPARTMENT OF EDUCATION AUDITORS' ELECTRONIC FINANCIAL
DATA INTEGRITY CHECK FIGURES**



Colorado Department of Education

Auditors Integrity Report

District: 2530 - ROCKY FORD R-2

Fiscal Year 2015-16

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	2,525,415	6,948,059	6,617,316	2,856,158
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	97,372	210,150	201,300	106,222
Sub- Total	2,622,787	7,158,209	6,818,616	2,962,380
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
21 Food Service Spec Revenue Fund	31,703	575,546	556,117	51,132
22 Govt Designated-Purpose Grants Fund	0	572,489	572,490	0
23 Pupil Activity Special Revenue Fund	195,588	223,186	231,694	187,080
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	206,689	254,933	284,979	176,643
Totals	3,056,767	8,784,363	8,463,895	3,377,235
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	1,674,005	38,304	30,992	1,681,317
Totals	1,674,005	38,304	30,992	1,681,317

FINAL

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