

**cPa** **DIXON, WALLER & CO., INC.**

**MOFFAT CONSOLIDATED SCHOOL**

**DISTRICT NO. 2**

**SAGUACHE COUNTY, COLORADO**

**REPORT ON EXAMINATION**

**JUNE 30, 2015**

**DIXON, WALLER & CO., INC.**

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**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**

**REPORT ON EXAMINATION**

**June 30, 2015**

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**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**ROSTER OF SCHOOL OFFICIALS**  
**June 30, 2015**

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**BOARD OF EDUCATION**

<b>Linda Fay Brown</b>	<b>President</b>
<b>Tina Freel</b>	<b>Vice President</b>
<b>Kristina Russell-Hedstrom</b>	<b>Secretary / Treasurer</b>
<b>Lisa Rosan</b>	<b>Member</b>
<b>Jerry Berry</b>	<b>Member</b>

**SCHOOL OFFICIALS**

<b>Kirk Banghart</b>	<b>Superintendent</b>
<b>Karen Hazard</b>	<b>Business Manager</b>

**FINANCIAL SECTION**

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

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Moffat Consolidated School District No. 2, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Moffat Consolidated School District No. 2, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension trend data on pages i through x and 36 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Moffat Consolidated School District No. 2's basic financial statements. The combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*Dyer, Waller & Co., P.C.*

Trinidad, Colorado  
November 30, 2015



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

MOFFAT CONSOLIDATED SCHOOL DISTRICT #2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For Fiscal Year Ended June 30, 2015

**Management's Discussion and Analysis**

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

The discussion and analysis of the Moffat School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

**Financial Highlights**

Key financial highlights for the fiscal year ended June 30, 2015 are as follows:

- In total the District's overall net operating assets are \$10,277,945 which represents an increase of \$6,629,345 over the previous year. This increase was created by an increase in carryover, extra revenue, frugal spending and the addition of the new Moffat School. Colorado State also combined the Food Service Fund into governmental Activities and not a business type activity.
- Revenues of \$12,269,636 were collected during the year in Governmental Funds. These revenues included revenues, taxes, grants and entitlements, general interest and other revenues.
- The District had \$2,375,974 in expenses. The general revenues (primarily property taxes and State grants and entitlements not restricted to specific programs) of \$2,037,187 along with fund carryovers were adequate to provide for these programs.
- The District's food service expenses exceed revenues by \$68,160 and a transfer from the General Fund to Food Service Fund was made. It is expected in the coming years that the General Fund will continue to supplement the revenue in the food service fund. Efforts at all levels are made to curb spending and create revenue to eliminate the need for this transfer; however, this is difficult in small school districts due to the economy of size and depressed economic factors.

**Overview of the Basic Financial Statements**

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Moffat Consolidated School

Moffat School District No. 2  
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

District as a financial whole, or as an entire operating activity. Information for Crestone Charter School has been presented separately as required by the State of Colorado. District and Charter School financials have been combined in this discussion and analysis. The basic financial statements consist of three parts: the management's discussion and analysis (this section), the basic financial statements and required supplementary information.

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

## **REPORTING THE DISTRICT AS A WHOLE**

### **Statement of Net Position and Statement of Activities**

While this report contains all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year 2015?" The statement of net position and of activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting. The accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

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

The two statements report the district's net position and changes in net position. The change in net position is important because it identifies whether the financial position of the District has improved or diminished for the District as a whole. The cause of this change may be the result

Moffat School District No. 2  
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws, enrollment levels, statutorily required reserves, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the School District is divided into one distinct kind of activity:

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

A summary of changes in capital assets:  
Governmental Activities-District

	Balance July 1, 14	Addi- tions	Balance June 30, 15
<b>Non Depreciable Total</b>	727,645	13,526,191	14,253,836
Building & Site Improvements	3,246,183	4,853	3,251,036
Equipment & Vehicles	660,663	94,922	755,585
<b>Total Depreciable Assets</b>	3,906,846	99,775	4,006,621
Building & Site Improvements	1,368,791	88,033	1,456,824
Equipment & Vehicles	542,721	41,473	584,194
<b>Total Accumulated Depreciation</b>	1,911,512	129,506	2,041,018
<b>Total Capital Assets Net</b>	2,722,979	13,496,460	16,219,439

Moffat School District No. 2  
 Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Non Depreciable Assets:				
Land		10,585		10585
Building & Site Improvements	3,246,183	717,060		3,963,243
Equipment & Vehicles	552,647	20,445	13,030	560,062
Total Depreciable Assets	3,798,830	737,505	13,030	4,523,305
Building & Site Improvements	1,281,082	87,709		1,368,791
Equipment & Vehicles	417,179	40,568	12,896	444,851
Total Accumulated Depreciation	1,698,261	128,277	12,896	1,813,642
Total Capital Assets Net	2,100,569	619,813	134	2,720,248

Governmental Activities-Component Unit

	Balance July 2, 2013	Additions	Balance June 30, 2014
Non Depreciable Assets:			
Land	448,458		448,458
Construction in Progress			
Building & Site Improvements	5,727,905	8,603	5,736,508
Equipment & Vehicles	171,727	18,360	190,084
Total Depreciable Assets	5,899,629	26,963	5,926,592
Building & Site Improvements	151,408	144,098	295,506
Equipment & Vehicles	147,414	15,220	162,634
Total Accumulated Depreciation	298,822	159,318	458,140
Depreciable Assets Net	5,600,807	(132,355)	5,468,452
Total Capital Assets Net	6,049,265	(132,355)	5,916,910

Moffat School District No. 2  
 Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

	Balance July 1, 14	Addi- tions	Balance June 30, 15
Non Depreciable Total	448,458		448,458
Land			
Building & Site Improvements	5,736,508	19,000	209,084
Equipment & Vehicles	190,084	43,080	552,647
Total Depreciable Assets	5,926,592	19,000	5,945,592
Building & Site Improvements	295,506	144,098	439,604
Equipment & Vehicles	162,634	5,045	167,679
Total Accumulated Depreciation	458,140	149,143	1,6607,283
Total Capital Assets Net	5,468,452	(130,143)	5,786,767

**FINANCIAL HIGHLIGHTS**

The District was required to implement GASB 68 resulting in a net pension liability of \$3,447,583. Under GASB 68 the District's proportionate share of the net pension liability of the Colorado state retirement system, the Public Employees Retirement Association, is recorded as a liability of the District. At implementation beginning equity is restated and deferred inflows, outflows and the net pension liability are reported. Beginning net position of governmental activities decreased as a result of this change.

In accordance with instructions from the Colorado Department of Education the District was also required to change its Food Service Fund from a proprietary fund in 2014 to a special revenue governmental fund in 2015. As a special revenue fund certain assets and liabilities had to be reclassified to fund balance. Capital assets net of depreciation totaling \$2,731 was written off decreasing the beginning fund balance in the food service fund from \$30,073 to \$27,342.

Upon implementation of GASB 68 and reclassification of food service from a business type activity to a governmental activity, the beginning net position of governmental activities decreased \$3,221,772 to \$396,755 from \$3,618,527 at the end of the previous fiscal year. Fiscal year 2014 financial information has not been restated because some of the comparable information is not available.

## **FUND FINANCIAL STATEMENTS**

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

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

**Governmental Funds** – The District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net position and the statement of activities and the governmental funds is reconciled in the financial statements. Moffat Consolidated School District maintains five governmental funds -General, Capital Reserve Capital Projects, Building Capital Projects Fund, Food Service Special Revenue Fund and Bond Redemption Fund.

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

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

Moffat School District No. 2  
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

**Financial Analysis of the District as a Whole**

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

	<b>2015</b>			<b>2014</b>		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
Current & other assets	4,954,714	0	4,954,714	6,478,343	27,342	6,505,685
Capital Assets	16,219,439	0	16,219,439	2,720,248	2,731	2,722,979
<b>Total Assets</b>	<b>21,174,153</b>	<b>0</b>	<b>21,174,153</b>	<b>9,198,591</b>	<b>30,073</b>	<b>9,228,664</b>
Liabilities	10,896,208	0	10,896,208	5,580,064	0	5,580,064
<b>NET Position</b> Invested						
in Capital Assets	11,219,592	0	11,219,592	1,572,536	2,731	1,575,267
Restricted	693,341	0	693,341	346,184	0	346,184
Unrestricted	(1,634,988)	0	(1,634,988)	1,699,807	27,342	1,727,149
<b>Total Net Position</b>	<b>10,277,945</b>	<b>0</b>	<b>10,277,945</b>	<b>3,618,527</b>	<b>30,073</b>	<b>3,648,600</b>

The statement of net position reports all financial and capital resources. The statement presents assets and liabilities in order of relative liquidity. All liabilities reported are current as of June 30, 2015 consisting of accounts payable and accrued salaries and benefits. The difference between the district's assets and liabilities is its net position. The large increase in assets and liabilities is due to the BEST Grant received by the district to build a new Moffat PreK-12 school minus the liability for the unfunded PERA requirement.

**Financial Analysis of the District's funds**

**Governmental Funds**

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



Moffat School District No. 2  
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

**General Fund**

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

General Fund revenues totaling \$3,359,827 (including \$1,264,004 shown as Crestone Charter School revenues), was \$177,100 (including (\$72,570) shown as Crestone Charter School) more than anticipated in the budget. Actual expenditures of \$3,178,140 (including CCS \$1,295,386) is actually \$1,420,915 (including \$5610 shown as Crestone Charter School and an amount designated for future expenditure) under the budgeted figure. Moffat Consolidated School District has traditionally budgeted all beginning balances and reserves to allow for expenditure of these funds in case of a catastrophic expense. The \$2,096,518 (including CCS \$422,956) June 30 fund balance includes reserves for TABOR and accrued salaries. The increase in fund balance for the General Fund over FY 2014 is \$79,644.

**Capital Projects Fund**

The District is utilizing the Capital Projects Fund to set aside funds for capital projects and purchases. As of June 30, 2015 the Fund Balance showed a total of \$326,466 with \$91,351 belonging to Crestone Charter School. This fund received revenues through a transfer of funds from the General Fund.

**Governmental Activities**

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

Moffat School District No. 2  
 Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

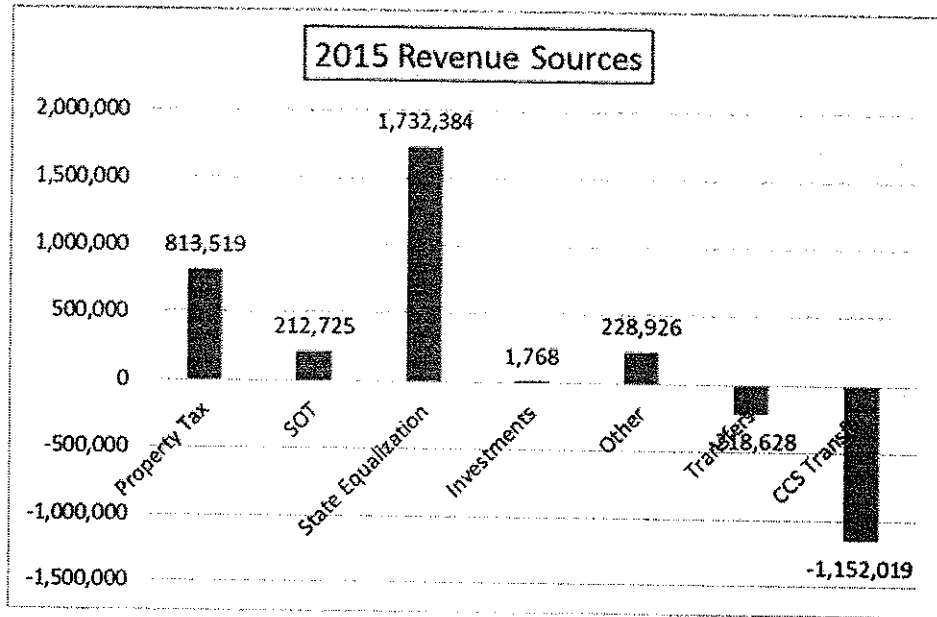


Figure 1 Shows Revenue Sources for General Fund Only  
 NOTE: Transfers & CCS PP Revenue are shown as negative amounts. The money goes from the General Fund to other funds.

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

	2015		2014	
	Expenses	Net Cost of Services	Expenses	Net Cost of Services
Instruction	943,127	731,988	948,788	709,855
Student Support	68,780	68,780	60,631	60,631
Instructional Staff General	36,805	36,805	43,858	43,858
Administration	168,464	(67,505)	177,033	(44,776)
School Administration	156,225	156,225	148,214	148,214
Business Support	147,524	147,524	121,294	121,294
Operation & Mtce. Student	208,766	208,766	222,579	222,579
Transportation	133,314	106,897	133,529	110,646
Central Support & Other	512,969	(9,233,483)	253,007	253,007
<b>TOTAL</b>	<b>2,375,974</b>	<b>(7,844,003)</b>	<b>2,108,933</b>	<b>1,625,308</b>

Moffat School District No. 2  
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

**Bond Redemption**

The Bond Redemption Fund is considered a part of the governmental funds and provides the means for repayment of the District's long-term debts. Long-Term Liabilities for general obligation debt are \$4,999,847 not due and payable in the 2015 fiscal year.

**Capital Assets**

The District began the year with Total Capital Assets of \$4,634,491. With the near completion of the new Moffat School facility, new vehicles, equipment and routine depreciation of assets the ending balance for the District's Capital Assets is \$18,260,457.

**Economic Factors and Next Year's Budget**

The District continues to monitor the economic situation of the local area, surrounding areas and the State. The state of affairs in Colorado has and will continue to cause careful planning. The Colorado legislature has put the burden of reporting the employee's retirement (Colorado PERA) unfunded liability on each district. The District's carryover will allow the School District to act instead of react to the financial woes of the State and Country. Frugal spending has enabled the District to increase fund balance while working with an unstable student enrollment. Moffat Consolidated School District is the smallest district in the State of Colorado with a charter school. The enrollment at the charter school is approximately 41 percent of the total District student population. This factor creates challenges in budgeting due to economy of size and the splitting of the District's student population. Eighty-two percent of the District's student population qualify for free/reduced lunches through the national program. This statistic speaks loudly of our local economic struggles.

**Contact the District's Financial Management Team**

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

Respectfully submitted,

Kirk L. Banghart, Superintendent

Karen Hazard, Business Manager

**BASIC FINANCIAL STATEMENTS**

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**

June 30, 2015

	<u>Primary Government</u>		Component Unit Charter School
	<u>Governmental Activities</u>	<u>Total</u>	
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	664,756	664,756	644,260
Investments	1,576,169	1,576,169	-
Property Taxes Receivable	223,882	223,882	-
Accounts Receivable	2,290,892	2,290,892	4,530
Inventories	1,461	1,461	-
Prepaid Expense	34,810	34,810	-
Security Deposit	-	-	850
<b>Total Current Assets</b>	<u>4,791,970</u>	<u>4,791,970</u>	<u>649,640</u>
<b>Capital Assets:</b>			
Land	11,906	11,906	448,458
Construction in Progress	14,241,930	14,241,930	-
Depreciable Assets	4,006,621	4,006,621	5,945,592
Accumulated Depreciation	<u>(2,041,018)</u>	<u>(2,041,018)</u>	<u>(607,283)</u>
<b>Capital Assets Net of Depreciation</b>	<u>16,219,439</u>	<u>16,219,439</u>	<u>5,786,767</u>
<b>TOTAL ASSETS</b>	<u>21,011,409</u>	<u>21,011,409</u>	<u>6,436,407</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
District Contributions Subsequent to Pension Measurement Date	93,372	93,372	55,097
Net Difference in Pension Plan Investments	69,372	69,372	40,908
<b>Total Deferred Outflow of Resources</b>	<u>162,744</u>	<u>162,744</u>	<u>96,005</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	2,271,346	2,271,346	60,283
Accrued Salaries Payable	110,182	110,182	70,763
Accrued Interest	17,273	17,273	-
Unearned Grant Payments	24,047	24,047	4,287
General Obligation Bonds – Current	<u>186,453</u>	<u>186,453</u>	-
<b>Total Current Liabilities</b>	<u>2,609,301</u>	<u>2,609,301</u>	<u>135,333</u>
<b>Noncurrent Liabilities:</b>			
Compensated Absences	25,720	25,720	-
General Obligation Bonds	4,813,394	4,813,394	-
Net Pension Obligation	<u>3,447,583</u>	<u>3,447,583</u>	<u>2,033,004</u>
<b>Total Noncurrent Liabilities</b>	<u>8,286,697</u>	<u>8,286,697</u>	<u>2,033,004</u>
<b>TOTAL LIABILITIES</b>	<u>10,895,998</u>	<u>10,895,998</u>	<u>2,168,337</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Difference in Pension Expected and Actual Experience	210	210	124
<b>NET POSITION</b>			
Net Investment in Capital Assets	11,219,592	11,219,592	5,786,767
<b>Restricted for:</b>			
Debt Service	316,799	316,799	-
BEST Grant Renewal	-	-	60,000
TABOR (Emergencies)	354,100	354,100	40,200
Preschool	1,296	1,296	-
Food Service	21,146	21,146	-
Unrestricted (Deficit)	<u>(1,634,988)</u>	<u>(1,634,988)</u>	<u>(1,523,016)</u>
<b>TOTAL NET POSITION</b>	<u>10,277,945</u>	<u>10,277,945</u>	<u>4,363,951</u>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2015**

<u>FUNCTIONS/PROGRAMS</u>	<u>Program Revenues</u>				<u>Net (Expenses) Revenue and Changes in Net Position</u>		<u>Component Unit Charter School</u>	
	<u>Expenses</u>	<u>Charges for Services</u>		<u>Operating Grants &amp; Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>		
		<u>Operating Grants &amp; Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>			
<u>Primary Government:</u>								
<u>Governmental Activities</u>								
Instruction	943,127	2,511	208,628	-	(731,988)	(731,988)	(779,598)	
Student Support	68,780	-	-	-	(68,780)	(68,780)	(55,531)	
Instructional Staff	36,805	-	-	-	(36,805)	(36,805)	(2,909)	
General Administration	168,464	235,969	-	-	67,505	63,932	(235,969)	
School Administration	156,225	-	-	-	(156,225)	(156,225)	(189,498)	
Business Support	147,524	-	-	-	(147,524)	(147,524)	-	
Operation & Maintenance	208,766	-	-	-	(208,766)	(208,766)	(82,285)	
Student Transportation	133,314	-	26,417	-	(106,897)	(106,897)	(15,023)	
Central Support	148,598	-	-	-	(148,598)	(148,598)	(48,891)	
Food Services	126,669	9,331	47,868	-	(69,476)	(69,476)	-	
Community Services	6,000	-	-	-	(6,000)	(6,000)	-	
Facilities/Capital Outlay	-	-	-	9,689,253	9,689,253	9,689,253	589	
Interest	211,976	-	-	-	(211,976)	(211,976)	-	
Pension Amortization	19,726	-	-	-	(19,726)	(19,726)	(11,632)	
<u>Total Governmental Activities</u>	<u>2,375,974</u>	<u>247,811</u>	<u>282,913</u>	<u>9,689,253</u>	<u>7,844,003</u>	<u>7,844,003</u>	<u>(1,420,747)</u>	
<u>Total Primary Government</u>	<u>2,375,974</u>	<u>247,811</u>	<u>282,913</u>	<u>9,689,253</u>	<u>7,844,003</u>	<u>7,844,003</u>	<u>(1,420,747)</u>	
<u>General Revenues</u>								
Local Property Taxes					1,240,261	1,240,261	-	
Specific Ownership Taxes					212,725	212,725	-	
State Equalization					1,732,384	1,732,384	-	
Earnings on Investments					1,914	1,914	585	
Other Revenue					111,207	111,207	12,651	
Gain on Sale of Property					2,700	2,700	-	
Charter Per Pupil Revenue					(1,264,004)	(1,264,004)	1,264,004	
<u>Total General Revenues &amp; Transfers</u>					<u>2,037,187</u>	<u>2,037,187</u>	<u>1,277,240</u>	
<u>Change in Net Position</u>					<u>9,881,190</u>	<u>9,881,190</u>	<u>(143,507)</u>	
<u>Net Position, Beginning (as Restated)</u>					<u>396,755</u>	<u>396,755</u>	<u>4,507,458</u>	
<u>Net Position, Ending</u>					<u>10,277,945</u>	<u>10,277,945</u>	<u>4,363,951</u>	

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2015**

	<u>General</u>	<u>Bond Redemption Debt Service</u>	<u>Capital Projects Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>					
Cash	255,451	289,178	-	120,127	664,756
Investments	1,443,313	-	-	132,856	1,576,169
Property Taxes Receivable	145,961	77,921	-	-	223,882
Accounts Receivable	56,695	-	2,230,552	3,645	2,290,892
Prepaid Expenditures	34,810	-	-	-	34,810
Inventories	-	-	-	1,461	1,461
Interfund Receivables	366	-	-	-	366
<b>Total Assets</b>	<b><u>1,936,596</u></b>	<b><u>367,099</u></b>	<b><u>2,230,552</u></b>	<b><u>258,089</u></b>	<b><u>4,792,336</u></b>
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>					
	-	-	-	-	-
<b><u>LIABILITIES:</u></b>					
Accounts Payable	40,794	-	2,230,552	-	2,271,346
Accrued Salaries Payable	110,182	-	-	-	110,182
Interfund Payable	-	-	-	366	366
Unearned Grant Payments	24,047	-	-	-	24,047
<b>Total Liabilities</b>	<b><u>175,023</u></b>	<b><u>-</u></b>	<b><u>2,230,552</u></b>	<b><u>366</u></b>	<b><u>2,405,941</u></b>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>					
Property Tax	88,011	50,300	-	-	138,311
<b><u>FUND BALANCES:</u></b>					
<b>Nonspendable:</b>					
Inventories	-	-	-	1,461	1,461
Prepaid Expenses	34,810	-	-	-	34,810
<b>Restricted for:</b>					
TABOR (Emergencies)	354,100	-	-	-	354,100
Preschool	1,296	-	-	-	1,296
Debt Service	-	316,799	-	-	316,799
Food Service	-	-	-	21,146	21,146
Capital Outlay	-	-	-	-	-
<b>Committed:</b>					
Capital Outlay	-	-	-	235,116	235,116
Unassigned	1,283,356	-	-	-	1,283,356
<b>Total Fund Balances</b>	<b><u>1,673,562</u></b>	<b><u>316,799</u></b>	<b><u>-</u></b>	<b><u>257,723</u></b>	<b><u>2,248,084</u></b>
<b><u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>					
	<b><u>1,936,596</u></b>	<b><u>367,099</u></b>	<b><u>2,230,552</u></b>	<b><u>258,089</u></b>	<b><u>4,792,336</u></b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO STATEMENT OF NET POSITION**  
**June 30, 2015**

<b>GOVERNMENTAL FUNDS TOTAL FUND BALANCE</b>	<b>2,248,084</b>
Deferred Property Tax Revenue-Revenues that do not provide current financial resources are deferred on the governmental fund financial statements but recognized on the government-wide financial statements.	138,311
Capital Assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	18,260,457
Accumulated Depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	(2,041,018)
Accrued interest payable is not considered current financial resources and, therefore, not reported in the governmental funds.	(17,273)
Long-Term Liabilities for general obligation debt and compensated absences are not due and payable in the current period and, therefore, not reported in the funds:	
General Obligation Bond	(4,999,847)
Compensated Absences	<u>(25,720)</u>
	(5,025,567)
The District's portion of the net pension obligation for PERA is reported on the statement of net position, but is not reported as a liability in the funds.	(3,447,583)
Deferred flows for contributions made toward the net pension obligation from December 31, 2014 until June 30, 2015 is not reported in the funds.	93,372
Deferred pension flows for differences in projected and actual activity are not reported in the funds.	<u>69,162</u>
<b><u>GOVERNMENTAL ACTIVITIES NET POSITION</u></b>	<b><u>10,277,945</u></b>

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



**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2015**

	<u>General</u>	<u>Bond Redemption Debt Service</u>	<u>Capital Projects Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>					
Taxes	1,038,537	426,921	-	-	1,465,458
Intergovernmental	1,967,495	-	9,689,253	47,868	11,704,616
Local Grants	-	-	-	-	-
Interest	1,790	124	-	-	1,914
Other	352,005	-	-	9,647	361,652
Allocated Revenues	<u>(1,264,004)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,264,004)</u>
<b>Total Revenues</b>	<b><u>2,095,823</u></b>	<b><u>427,045</u></b>	<b><u>9,689,253</u></b>	<b><u>57,515</u></b>	<b><u>12,269,636</u></b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
Instruction	868,821	-	-	-	868,821
Student Support	68,376	-	-	-	68,376
Instructional Staff	36,535	-	-	-	36,535
General Administration	167,251	-	-	-	167,251
School Administration	154,742	-	-	-	154,742
Business Services	146,581	-	-	-	146,581
Operations & Maintenance	188,491	-	-	-	188,491
Student Transportation	98,304	-	-	-	98,304
Central Support	147,653	-	-	-	147,653
Food Services	-	-	-	125,372	125,372
Community Services	6,000	-	-	-	6,000
Capital Outlay	-	-	13,524,870	101,096	13,625,966
<b>Debt Service:</b>					
Principal Retirements	-	183,124	-	-	183,124
Interest and Fiscal Charges	-	212,606	-	-	212,606
<b>Total Expenditures</b>	<b><u>1,882,754</u></b>	<b><u>395,730</u></b>	<b><u>13,524,870</u></b>	<b><u>226,468</u></b>	<b><u>16,029,822</u></b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b><u>213,069</u></b>	<b><u>31,315</u></b>	<b><u>(3,835,617)</u></b>	<b><u>(168,953)</u></b>	<b><u>(3,760,186)</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond Proceeds	-	-	-	-	-
Operating Transfers In (Out)	<u>(133,425)</u>	<u>-</u>	<u>-</u>	<u>133,425</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<b><u>(133,425)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>133,425</u></b>	<b><u>-</u></b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>79,644</b>	<b>31,315</b>	<b>(3,835,617)</b>	<b>(35,528)</b>	<b>(3,760,186)</b>
<b>FUND BALANCES, Beginning (as Restated)</b>	<b><u>1,593,918</u></b>	<b><u>285,484</u></b>	<b><u>3,835,617</u></b>	<b><u>293,251</u></b>	<b><u>6,008,270</u></b>
<b>FUND BALANCES, Ending</b>	<b><u>1,673,562</u></b>	<b><u>316,799</u></b>	<b><u>-</u></b>	<b><u>257,723</u></b>	<b><u>2,248,084</u></b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2015**

**GOVERNMENTAL FUNDS CHANGES IN FUND BALANCES** **(3,760,186)**

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

Current Capital Outlay	13,625,966	
Less Current Deletions	<u>                  -</u>	13,625,966

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

Repayment of Debt Principal	183,124	
Interest Expense	<u>          630</u>	183,754

Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, the adjustment to these expenses are not reported as expenditures in governmental funds. 6,838

Deferred Property Tax Inflows-Revenues that do not provide current financial resources are deferred on the governmental fund financial statements but recognized on the government-wide financial statements. (12,472)

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

Current Depreciation Expense	129,506	
Less Current Deletion	<u>                  -</u>	(129,506)

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

Change in net pension obligation	(19,380)	
Deferred flows from net pension obligation	5,902	
Amortization of deferred flows from pension activity	<u>(19,726)</u>	<u>(33,204)</u>

**GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION** **9,881,190**

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND - AGENCY**  
**June 30, 2015**

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	<b>Student Activity Fund</b>
<b><u>ASSETS</u></b>	
Cash	<u>13,081</u>
<b><u>LIABILITIES</u></b>	
Deposits Held for Others	<u>13,081</u>
<b><u>NET POSITION</u></b>	
Held in Trust for Others	<u>      -</u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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**NOTE 1**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The District operates under an elected Board of Education with five members and provides educational services to approximately 196 students.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Moffat Consolidated School District No. 2. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

**A.    Reporting Entity**

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

The discretely presented component units are reported in separate column in the government-wide financial statements to emphasize that they are legally separate from the District.

**Discretely Presented Component Unit – Crestone Charter School**

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

This District is not included in any other governmental "reporting entity" as defined GASB No. 14 (as amended by Statement No. 34, No. 39 and No. 61) and other than Crestone Charter School, does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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

**B.      Government-Wide and Fund Financial Statements**

The Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General Fund and Capital Projects Building Fund, and Bond Redemption Debt Service Fund) and individual enterprise funds are reported as separate columns in the fund financial statements.

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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

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

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

All governmental fund types use the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available to collect within 60 days after year-end.

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

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

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

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

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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

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

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

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

**D.    Fund Accounting**

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

- **Major Governmental Funds**
  1. **General Fund** – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
  2. **Bond Redemption Debt Service Fund** – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.
  3. **Capital Projects Building Fund** – used to account for the acquisition and construction of major capital facilities funded by the sale of general obligation bonds and other revenues.



**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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

**D.    Fund Accounting (Continued)**

- **Trust and Agency Funds** – Trust and Agency funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the District's own programs. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.
  
- 1.    **Student Activity Fund** – The Student Activity Fund is an agency fund and, therefore, consists only of accounts such as Cash and balancing liability accounts, such as Due to Student Groups. This fund accounts for the transaction of that entity in raising and expending money to promote the general welfare, morale, and educational experiences of the student body.

**E.    Cash and Investments**

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**F.    Receivables**

Property taxes levied in 2014 but uncollected in 2015 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2015 are recorded as deferred inflows in the fund financial statements, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

**G.    Inventories**

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

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2015

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

**H.    Capital Assets**

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

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

The monetary threshold for capitalization of assets is \$3,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-50 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition and any remaining depreciation as recorded in the year of disposition.

**I.    Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value. The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund. Capital leases are serviced from property taxes and other revenues of the General Fund and Capital Reserve Capital Projects Fund.

**J.    Constitutional Amendment**

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

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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

**J.      Constitutional Amendment (Continued)**

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2015, the District reserved \$354,100 and the Charter School reserved \$40,200 for this purpose.

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

**K.      Property Taxes**

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2014 property tax calendar for Saguache County was as follows:

Levy Date	December 22, 2014
Lien Date	January 1, 2015
Tax Bills Mailed	January 1, 2015
First Installment Due	February 28, 2015
Second Installment Due	June 15, 2015
If Paid in Full, Due	April 30, 2015

**L.      Compensated Absences**

Changes in Compensated Absences payable for the year ended June 30, 2015, were as follows:

	Beginning 7/1/2014	Additions	Deletions	Ending 6/30/2015
Vacation Payable	11,563	-	3,270	8,293
Sick Leave Payable	<u>20,995</u>	-	<u>3,568</u>	<u>17,427</u>
Total	<u>32,558</u>	<u>-</u>	<u>6,838</u>	<u>25,720</u>

**M.      Use of Estimates**

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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

**N.    Interest Expense**

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

**O.    GASB Statement No. 54**

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

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

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

**Fund Balance Classification Policies and Procedures**

**Committed Fund Balance Policy:**

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

**Fund Balance Classification Policies and Procedures (Continued)**

**Assigned Fund Balance Policy:**

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO.2**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2015

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

**O.    GASB Statement No. 54 (Continued)**

**Order of Fund Balance Spending Policy**

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

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

**Fund Balance Classification by Fund:**

	<u>General Fund</u>	<u>Food Services Special Revenue Fund</u>	<u>Bond Redemption Fund</u>	<u>Capital Reserve Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>Nonspendable:</b>					
Inventories	-	1,461	-	-	1,461
Prepaid Expenses	34,810	-	-	-	34,810
<b><u>Restricted:</u></b>					
Emergencies	354,100	-	-	-	354,100
Preschool	1,296	-	-	-	1,296
Debt Service	-	-	316,799	-	316,799
Food Service	-	21,146	-	-	21,146
<b><u>Committed:</u></b>					
Capital Outlay	-	-	-	235,116	235,116
<b><u>Unassigned:</u></b>	<u>1,283,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,283,356</u>
<b><u>Total Fund Balances</u></b>	<u>1,673,562</u>	<u>22,607</u>	<u>316,799</u>	<u>235,116</u>	<u>2,248,084</u>

**P.    Deferred Outflows / Inflows of Resources**

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

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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**NOTE 2**      **RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

Governmental Funds – Interfund Receivables / Payables	\$ 366
Governmental Funds – Interfund Transfers	\$ 133,425

**NOTE 3**      **BUDGETARY INFORMATION**

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

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

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration should be employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds, Enterprise Funds, and Trust and Agency Funds.
6. Budgets for the General, Special Revenue, Debt Service, Capital Projects Funds, Trust and Agency Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 3**      **BUDGETARY INFORMATION (Continued)**

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

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

**NOTE 4**      **CASH AND INVESTMENTS**

**Deposits**

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

At June 30, 2015, the District's bank balance and corresponding carrying balance were as follows:

	<u>District</u>		<u>Charter School</u>	
	<u>Carrying Balance</u>	<u>Bank Balance</u>	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	486,009	486,009	250,000	250,000
Uninsured, Collateralized Under the Public Deposit Protection Act of the State of Colorado	94,045	98,916	399,392	410,282
Cash with County Treasurer	97,510	-	-	-
Cash on Hand	<u>273</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Total Cash and Deposits</u></b>	<b><u>677,837</u></b>	<b><u>584,925</u></b>	<b><u>649,392</u></b>	<b><u>660,282</u></b>

As presented above, deposits with bank balances of \$98,916 and \$410,282 and a carrying balances of \$94,045 and \$399,392 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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

**Investments**

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

At June 30, 2015, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
COLOTRUST Plus	44 Day Average	<u>1,576,169</u>

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

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

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



**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 5      CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

**Governmental Activities - District**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b><u>Non Depreciable Assets:</u></b>				
Land	10,585	1,321	-	11,906
Construction In Progress	<u>717,060</u>	<u>13,524,870</u>	-	<u>14,241,930</u>
<b>Total Non Depreciable Assets</b>	<u>727,645</u>	<u>13,526,191</u>	-	<u>14,253,836</u>
<b><u>Depreciable Assets:</u></b>				
Buildings & Site Improvements	3,246,183	4,853	-	3,251,036
Equipment & Vehicles	560,062	94,922	-	654,984
Equipment - Food Services	<u>100,601</u>	-	-	<u>100,601</u>
<b>Total Depreciable Assets</b>	<u>3,906,846</u>	<u>99,775</u>	-	<u>4,006,621</u>
<b><u>Less Accumulated</u></b>				
<b><u>Depreciation for:</u></b>				
Building & Site Improvements	1,368,791	88,033	-	1,456,824
Equipment & Vehicles	444,851	40,715	-	485,566
Equipment - Food Services	<u>97,870</u>	<u>758</u>	-	<u>98,628</u>
<b>Total Accumulated</b>				
<b>Depreciation</b>	<u>1,911,512</u>	<u>129,506</u>	-	<u>2,041,018</u>
<b>Total Capital Assets, Net</b>	<u>2,722,979</u>	<u>13,496,460</u>	-	<u>16,219,439</u>

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

**Governmental Activities:**

Instruction	74,539
Operations and Maintenance	19,332
Transportation	34,336
Central Support	541
Food Services	<u>758</u>
<b>Total Depreciation Expense –Governmental Activities</b>	<u>129,506</u>

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 5**      **CAPITAL ASSETS (Continued)**

A summary of changes in capital assets is as follows:

**Governmental Activities – Component Unit**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b><u>Non Depreciable Assets:</u></b>				
Land	448,458	-	-	448,458
Construction in Progress	-	-	-	-
<b><u>Total Non Depreciable Assets:</u></b>	<u>448,458</u>	<u>-</u>	<u>-</u>	<u>448,458</u>
<b><u>Depreciable Assets:</u></b>				
Building & Site Improvements	5,736,508	-	-	5,736,508
Equipment & Vehicles	190,084	19,000	-	209,084
<b><u>Total Depreciable Assets</u></b>	<u>5,926,592</u>	<u>19,000</u>	<u>-</u>	<u>5,945,592</u>
<b><u>Less Accumulated</u></b>				
<b><u>Depreciation for:</u></b>				
Building & Site Improvements	295,506	144,098	-	439,604
Equipment & Vehicles	162,634	5,045	-	167,679
<b><u>Total Accumulated</u></b>				
<b><u>Depreciation</u></b>	<u>458,140</u>	<u>149,143</u>	<u>-</u>	<u>607,283</u>
<b><u>Depreciable Assets, Net</u></b>	<u>5,468,452</u>	<u>(130,143)</u>	<u>-</u>	<u>5,338,309</u>
<b><u>Total Capital Assets, Net</u></b>	<u>5,916,910</u>	<u>(130,143)</u>	<u>-</u>	<u>5,786,767</u>

Depreciation expense was charged to functions/programs of the component unit as follows:

**Governmental Activities:**

Instruction	144,298
Operation and Maintenance	1,109
Transportation	<u>3,736</u>
<b><u>Total Depreciation Expense-Governmental Activities</u></b>	<u>149,143</u>

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 6**     **LONG-TERM DEBT**

**General Obligation Bonds Payable**  
**Changes in General Obligation Bonds**

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>	<u>Due In</u> <u>One Year</u>
Series 2010 G.O. Bonds	630,294	-	29,260	601,034	30,383
Series 2013 G. O. Bonds	4,552,677	-	153,864	4,398,813	156,070
Total GO Bonds Payable	<u>5,182,971</u>	<u>-</u>	<u>183,124</u>	<u>4,999,847</u>	<u>186,453</u>

**Series 2013 General Obligation Bonds**

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

	<u>Fiscal</u> <u>Year</u>	<u>Rate</u>	<u>Interest</u> <u>Payable</u>	<u>Principal</u> <u>Payable</u>
General Obligation Bonds,	2016	4.1878%	180,946	156,070
Series 2013, Interest Payable	2017	4.1878%	174,273	162,606
June 1 and December 1,	2018	4.1878%	167,321	169,416
Original Bond amount \$4,552,677	2019	4.1878%	160,078	176,511
	2020	4.1878%	152,531	183,903
	2021-2025	4.1878%	637,918	1,041,693
	2026-2030	4.1878%	395,781	1,278,864
	2031-2034	4.1878%	<u>105,640</u>	<u>1,229,750</u>
			<u>1,974,488</u>	<u>4,398,813</u>

**Series 2010 General Obligation Bonds**

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

	<u>Fiscal</u> <u>Year</u>	<u>Rate</u>	<u>Interest</u> <u>Payable</u>	<u>Principal</u> <u>Payable</u>
General Obligation Bonds, Series 2010,	2016	3.84%	22,476	30,383
Interest Payable June 1 and December 1,	2017	3.84%	21,288	31,548
Original Bond amount \$726,519	2018	3.84%	20,054	32,759
	2019	3.84%	18,774	34,015
	2020	3.84%	17,443	35,321
	2021-2025	3.84%	65,410	198,000
	2026-2030	3.84%	<u>23,613</u>	<u>239,008</u>
			<u>189,058</u>	<u>601,034</u>

**Total General Obligation Bonds Payable** **4,999,847**

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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**NOTE 7**      **PENSION PLAN**

**Defined Benefit Pension Plan**

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

**Summary of Significant Accounting Policies**

**Pensions.** Moffat Consolidated School District No. 2 participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**General Information about the Pension Plan**

**Plan description.** Eligible employees of the Moffat Consolidated School District No. 2 are provided with pensions through the School Division Trust Fund (SCHDTF) - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investment/pera-financial-reports](http://www.copera.org/investment/pera-financial-reports).

**Benefits provided.** PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s), under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. 24-51-601, 604, 1713, and 1714.

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

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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**NOTE 7**      **PENSION PLAN (Continued)**

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

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

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

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

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 7**      **PENSION PLAN (Continued)**

**Contributions.** Eligible employees and Moffat Consolidated School District No. 2 are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA- includable salary. The employer contribution requirements are summarized in the table below.

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2015
<b>Employer Contribution Rate</b>	10.15 %	10.15 %
<b>Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208 (1) (f)</b>	(1.02)%	(1.02)%
<b>Amount Apportioned to the SCHDTF</b>	9.13%	9.13%
<b>Amortization Equalization Disbursement (AED) as specified in C.R.S. 24-51-411</b>	3.80%	4.20%
<b>Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-411</b>	3.50%	4.00%
<b>Total Employer Contribution Rate to the SCHDTF</b>	16.43%	17.33%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Moffat Consolidated School District No. 2 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Moffat Consolidated School District No. 2 were \$179,229 for the year ended June 30, 2015.

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

At June 30, 2015, the Moffat Consolidated School District No. 2 reported a liability of \$3,447,583 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The Moffat Consolidated School District No. 2 proportion of the net pension liability was based on Moffat Consolidated School District No. 2 contributions to the SCHDTF for the calendar year 2014 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2014, the Moffat Consolidated School District No. 2 proportion was 0.02544 percent, which was a decrease of 0.0014 from its proportion measured as of December 31, 2013. The District's share of the total proportion share was 62.89 percent with the balance of 37.11 percent being the component unit.

For the year ended June 30, 2015, the Moffat Consolidated School District No. 2 recognized pension expense of \$212,433. At June 30, 2015, the Moffat Consolidated School District No. 2 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 7**      **PENSION PLAN (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	0	(210)
Changes of assumptions or other inputs	0	0
Net difference between projected and actual earnings on pension plan investments	69,372	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	0	0
Contributions subsequent to the measurement date	93,372	N/A
<b>Total</b>	<b>162,744</b>	<b>(210)</b>

\$93,372 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, 2015	
2016	19,726
2017	19,740
2018	19,788
2019	9,910
2020	-
Thereafter	-

*Actuarial assumptions.* The total pension liability in the December 31, 2013 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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 7**      **PENSION PLAN (Continued)**

Mortality rates were based on the RP-2000 combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2013 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.

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>10 Year Expected Geometric Real Rate of Return</b>
<b>U.S. Equity – Large Cap</b>	<b>26.76%</b>	<b>5.00%</b>
<b>U.S. Equity – Small Cap</b>	<b>4.40%</b>	<b>5.19%</b>
<b>Non U.S. Equity – Developed</b>	<b>22.06%</b>	<b>5.29%</b>
<b>Non U.S. Equity – Emerging</b>	<b>6.24%</b>	<b>6.76%</b>
<b>Core Fixed Income</b>	<b>24.05%</b>	<b>0.98%</b>
<b>High Yield</b>	<b>1.53%</b>	<b>2.64%</b>
<b>Long Duration Gov't/Credit</b>	<b>0.53%</b>	<b>1.57%</b>
<b>Emerging Market Bonds</b>	<b>0.43%</b>	<b>3.04%</b>
<b>Real Estate</b>	<b>7.00%</b>	<b>5.09%</b>
<b>Private Equity</b>	<b>7.00%</b>	<b>7.15%</b>
<b>Total</b>	<b>100.00%</b>	

\*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%.



**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2015

**NOTE 7**      **PENSION PLAN (Continued)**

***Discount rate.*** The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate 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 investment was applied to all periods of projected benefit payment to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

***Sensitivity of the Moffat Consolidated School District No. 2 proportionate share of the net pension liability to changes in the discount rate.*** The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	4,545,933	3,447,568	2,528,218

***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](http://www.copera.org/investments/pera-financial-reports).

**Defined Contribution Pension Plan**

**Voluntary Investment Program**

***Plan Description*** – Employees of the Moffat Consolidated School District No. 2 that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA, Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees, PERA issues a publicly available comprehensive annual financial report for the Plan. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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**NOTE 7**     **PENSION PLAN (Continued)**

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2015, program members contributed \$13,700.

**Other Post-Employment Benefits**

**Health Care Trust Fund**

*Plan Description* – The Moffat Consolidated School District No. 2 contributes to the Health Care Trust Fund (“HCTF”), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Moffat Consolidated School District No. 2 is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Moffat Consolidated School District No. 2 are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2015, 2014 and 2013, the Moffat Consolidated School District No. 2 contributions to the HCTF were \$10,801, \$11,153 and \$10,953, respectively equal to their required contributions for each year.

**NOTE 8**     **RISK MANAGEMENT**

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

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 9**      **INTERFUND BALANCES AND TRANSFERS**

<u>TRANSFERS</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<b><u>Major Governmental Fund</u></b>				
General Fund	-	133,425	366	-
<b><u>NonMajor Governmental Funds</u></b>				
	<u>133,425</u>	<u>          -</u>	<u>          -</u>	<u>          366</u>
	<u>133,425</u>	<u>133,425</u>	<u>          366</u>	<u>          366</u>

Transfers were made for the purpose of assisting fund operations.

Interfund payables will be repaid within one year.

**NOTE 10**      **COLORADO SCHOOL DISTRICT SELF INSURANCE POOL**

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

As the District did not exercise oversight responsibility nor have sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool is recorded as Expenditures in the Insurance Reserve Fund.

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2015.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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

An audited summary of the Colorado School District's Pool financial information at December 31, 2014 (latest information available) follows:

Total Assets	<u>45,944,578</u>
Total Liabilities	<u>19,326,551</u>
Total Equity	<u>26,618,027</u>
Revenue	12,594,961
Underwriting Expenses	<u>11,537,456</u>
Underwriting Gain (Loss)	1,057,505
Net Investment Income	609,168
Other Income	<u>2</u>
Net Income (Loss) Before Dividend	<u>1,666,675</u>
Dividend	-
Net Income (Loss)	<u>1,666,675</u>
Transfer of Capital Contributions	-
Change in Non Admitted Assets	<u>151,428</u>
Capital Contributions from Members	-
Unassigned Surplus	<u>26,618,027</u>

**NOTE 11    LITIGATION**

None.

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

**Claims and Judgments -** The District participates in a number of federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2015, significant amounts of grant expenditures have not been audited by the grantor but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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**NOTE 13    JOINT VENTURES**

**San Luis Valley Board of Cooperative Educational Services**

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

The District has one member on the Board. The Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2015. The joint venture summary audited financial information as of June 30, 2014 is as follows:

Assets	<u>1,930,876</u>
Liabilities	<u>1,342,397</u>
Net Position	<u>588,479</u>
	<u>1,930,876</u>
Revenues	5,260,566
Expenses	<u>5,253,318</u>
Change in Net Position	<u>7,248</u>

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

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

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

**NOTE 14    RESTATEMENT OF NET POSITION AND FUND BALANCE**

The District previously reported the activity of the Food Service Fund in a proprietary fund. Beginning in the fiscal year 2014-2015, such activity has been more appropriately reported in a special revenue fund. Accordingly, the newly established special revenue fund reports a restated beginning balance of \$27,342 which is equal to the net current assets and current liabilities previously reported in the proprietary fund. All remaining assets and liabilities, including net position of \$2,731 previously reported in the proprietary fund are not recognized at the fund level under modified accrual, and have been reclassified as assets and liabilities of the governmental activities as of July 1, 2014.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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**NOTE 14**    **RESTATEMENT OF NET POSITION AND FUND BALANCE (Continued)**

The net position of the governmental activities has been restated to reflect the change in reporting of the Food Service Fund and the implementation of GASB Statement 68. That statement requires that the District report their portion of any net pension obligation and related deferred flows. The beginning net position of \$3,618,527 has changed by the prior net pension obligation of \$3,428,203, prior deferred flows of \$176,358, and prior year Food Service net position of \$30,073 resulting in a restated net position of \$396,755.

**NOTE 15**    **COMPLIANCE WITH BUDGET LAWS**

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

Expenditures in the Food Service Fund exceeded budgeted amounts by \$7,591.

**REQUIRED SUPPLEMENTARY INFORMATION**

## **MAJOR GOVERNMENTAL FUNDS**

### **General Fund**

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



**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2015**

<u>REVENUES</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Local Sources</u>				
Property Taxes	872,950	872,950	813,520	(59,430)
Specific Ownership Taxes	100,000	100,000	212,725	112,725
Delinquent Taxes & Interest	6,700	6,700	12,292	5,592
Earnings on Investments	2,102	2,102	1,790	(312)
E-Rate	12,000	12,000	4,052	(7,948)
Charter School Purchased Services	-	-	235,969	235,969
Other Local Sources	225,000	225,000	111,984	(113,016)
<u>County Sources</u>				
Mineral Leasing	65	65	66	1
<u>State Sources</u>				
Equalization	1,590,568	1,590,568	1,732,384	141,816
Transportation	25,875	25,875	26,417	542
Vocational Education	-	-	3,927	3,927
READ Act Grant	-	-	9,712	9,712
Library Grant	-	-	3,000	3,000
GERC Grant	51,620	51,620	48,665	(2,955)
BOCES Pass Thru Grant – G&T	-	6,563	6,563	-
Other	-	-	11,951	11,951
<u>Federal Source</u>				
Title I	118,211	118,211	113,767	(4,444)
Title II-A	10,606	10,606	2,926	(7,680)
REAP Grant	12,897	12,897	8,117	(4,780)
Forest Service	75,000	75,000	-	(75,000)
<u>Allocation to Crestone Charter School</u>	<u>(1,191,434)</u>	<u>(1,191,434)</u>	<u>(1,264,004)</u>	<u>(72,570)</u>
<u>Total Revenues</u>	<u>1,912,160</u>	<u>1,918,723</u>	<u>2,095,823</u>	<u>177,100</u>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>EXPENDITURES</u></b>				
<b><u>Instruction</u></b>	<b><u>1,033,053</u></b>	<b><u>1,033,053</u></b>	<b><u>868,821</u></b>	<b><u>164,232</u></b>
<b><u>Supporting Services:</u></b>				
Students	61,522	61,522	68,376	(6,854)
Instructional Staff	37,054	37,054	36,535	519
General Administration	201,689	201,689	167,251	34,438
School Administration	175,795	175,795	154,742	21,053
Business Services	142,899	142,899	146,581	(3,682)
Operations and Maintenance	235,542	235,542	188,491	47,051
Student Transportation	126,166	126,166	98,304	27,862
Central Support	146,840	146,840	147,653	(813)
Community Services	3,500	3,500	6,000	(2,500)
Facilities	-	-	-	-
<u>Total Supporting Services</u>	<u>1,131,007</u>	<u>1,131,007</u>	<u>1,013,933</u>	<u>117,074</u>
 <b><u>Appropriated Reserves</u></b>	 <b><u>1,139,609</u></b>	 <b><u>1,139,609</u></b>	 <b><u>-</u></b>	 <b><u>1,139,609</u></b>
 <b><u>Total Expenditures</u></b>	 <b><u>3,303,669</u></b>	 <b><u>3,303,669</u></b>	 <b><u>1,882,754</u></b>	 <b><u>1,420,915</u></b>
 <b><u>Revenue Over (Under) Expenditures</u></b>	 <b><u>(1,391,509)</u></b>	 <b><u>(1,384,946)</u></b>	 <b><u>213,069</u></b>	
 <b><u>Other Financing Sources (Uses)</u></b>				
Transfer (Out)	(113,000)	(113,000)	(133,425)	(20,425)
<u>Total Other Financing</u> <u>Sources (Uses)</u>	<u>(113,000)</u>	<u>(113,000)</u>	<u>(133,425)</u>	<u>(20,425)</u>
 <b><u>Revenues and Other Financing</u></b> <b><u>Sources Over (Under) Expenditures</u></b> <b><u>and Other Uses</u></b>	 <b><u>(1,504,509)</u></b>	 <b><u>(1,497,946)</u></b>	 <b><u>79,644</u></b>	
 <b><u>Fund Balance, Beginning</u></b>	 <b><u>1,497,946</u></b>	 <b><u>1,497,946</u></b>	 <b><u>1,593,918</u></b>	
 <b><u>Fund Balance, Ending</u></b>	 <b><u>(6,563)</u></b>	 <b><u>-</u></b>	 <b><u>1,673,562</u></b>	

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**For The Last 10 Fiscal Years (As Available)**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
District's proportion of the net pension liability (asset)	0.0254%	0.0269%	-	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$3,447,583	\$3,428,203	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$1,058,958	\$1,093,473	-	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	326%	314%	-	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	62.80%	64.06%	-	-	-	-	-	-	-	-

The amounts presented for fiscal year were determined as of June 30.  
The above amounts are for the Primary Government only and do not include amounts for the component unit.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**For The Last 10 Fiscal Years (As Available)**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Contractually required contributions	\$ 179,229	\$ 174,854	\$ 162,336	-	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(179,229)</u>	<u>\$(174,854)</u>	<u>\$(162,336)</u>	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	-	-	-	-	-	-	-
District's covered-employee payroll	\$1,058,958	\$1,093,473	\$1,073,797	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	16.93%	15.99%	15.12%	-	-	-	-	-	-	-

The amounts presented for fiscal year were determined as of December 31. The above amounts are for the Primary Government only and do not include amounts for the component unit.

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES**

**Bond Redemption Debt Service Fund**

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

**Capital Projects Fund**

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

**NON MAJOR GOVERNMENTAL FUNDS**

**Special Revenue Fund**

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

**Capital Projects Fund**

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

**Fiduciary Fund**

**Agency Fund**

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL**  
**BOND REDEMPTION DEBT SERVICE FUND**  
**For the Year Ended June 30, 2015**

	<u>Budget Amounts</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>REVENUES</u>	<u>Original &amp; Final</u>		
Property Taxes	420,604	422,558	1,954
Delinquent Taxes	-	4,363	4,363
Earnings on Investments	<u>120</u>	<u>124</u>	<u>4</u>
<u>Total Revenues</u>	<u>420,724</u>	<u>427,045</u>	<u>6,321</u>
 <u>EXPENDITURES:</u>			
Principal Expense	183,125	183,124	1
Interest Expense	211,918	211,056	862
Other Expense	2,000	1,550	450
Appropriated Reserve	<u>230,296</u>	<u>-</u>	<u>230,296</u>
<u>Total Expenditures</u>	<u>627,339</u>	<u>395,730</u>	<u>231,609</u>
 <u>Revenues Over (Under) Expenditures</u>	 <u>(206,615)</u>	 <u>31,315</u>	
 <u>Fund Balances, Beginning</u>	 <u>206,615</u>	 <u>285,484</u>	
 <u>Fund Balances, Ending</u>	 <u>-</u>	 <u>316,799</u>	

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL**  
**BUILDING– CAPITAL PROJECTS FUND**  
**For the Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>		
<b><u>REVENUES:</u></b>			
State Source Best Grant	<u>12,100,000</u>	<u>9,689,253</u>	<u>(2,410,747)</u>
Total Revenues	<u>12,100,000</u>	<u>9,689,253</u>	<u>(2,410,747)</u>
<b><u>EXPENDITURES:</u></b>			
Building Construction	<u>16,652,677</u>	<u>13,524,870</u>	<u>3,127,807</u>
Total Expenditures	<u>16,652,677</u>	<u>13,524,870</u>	<u>3,127,807</u>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	<b><u>(4,552,677)</u></b>	<b><u>(3,835,617)</u></b>	
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Bond Proceeds	<u>4,552,677</u>	-	<u>(4,552,677)</u>
Total Other Financing Sources (Uses)	<u>4,552,677</u>	-	<u>(4,552,677)</u>
<b><u>REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES) AND EXPENDITURES</u></b>	<b>-</b>	<b><u>(3,835,617)</u></b>	
<b><u>FUND BALANCE, Beginning</u></b>	<b>-</b>	<b><u>3,835,617</u></b>	
<b><u>FUND BALANCE, Ending</u></b>	<b>-</b>	<b>-</b>	

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



**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2015**

	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Food Service</u>	<u>Capital Reserve</u>	
<b><u>ASSETS</u></b>			
Cash	17,867	102,260	120,127
Investments	-	132,856	132,856
Accounts Receivable	3,645	-	3,645
Inventories	1,461	-	1,461
Due From Other Funds	-	-	-
<b><u>Total Assets</u></b>	<b><u>22,973</u></b>	<b><u>235,116</u></b>	<b><u>258,089</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b><u>Liabilities</u></b>			
Accounts Payable	-	-	-
Due To Other Funds	<u>366</u>	-	<u>366</u>
<b><u>Total Liabilities</u></b>	<b><u>366</u></b>	<b><u>-</u></b>	<b><u>366</u></b>
<b><u>Fund Balances</u></b>			
<b>Nonspendable:</b>			
Inventories	1,461	-	1,461
<b>Restricted:</b>			
Food Services	21,146	-	21,146
<b>Committed:</b>			
Capital Outlay	-	235,116	235,116
Unassigned	-	-	-
<b><u>Total Fund Balances</u></b>	<b><u>22,607</u></b>	<b><u>235,116</u></b>	<b><u>257,723</u></b>
<b><u>TOTAL LIABILITIES &amp; FUND BALANCES</u></b>			
	<b><u>22,973</u></b>	<b><u>235,116</u></b>	<b><u>258,089</u></b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2015**

	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Food Services</u>	<u>Capital Reserve</u>	
<b><u>REVENUES</u></b>			
Other Local Sources	9,344	303	9,647
State Sources	384	-	384
Federal Sources	<u>47,484</u>	-	<u>47,484</u>
<b><u>Total Revenues</u></b>	<b><u>57,212</u></b>	<b><u>303</u></b>	<b><u>57,515</u></b>
<b><u>EXPENDITURES</u></b>			
Food Services	125,372	-	125,372
Capital Outlay	-	<u>101,096</u>	<u>101,096</u>
<b><u>Total Expenditures</u></b>	<b><u>125,372</u></b>	<b><u>101,096</u></b>	<b><u>226,468</u></b>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>			
	<b><u>(68,160)</u></b>	<b><u>(100,793)</u></b>	<b><u>(168,953)</u></b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers In (Out)	<u>63,425</u>	<u>70,000</u>	<u>133,425</u>
<b><u>Total Other Financing Sources (Uses)</u></b>	<b><u>63,425</u></b>	<b><u>70,000</u></b>	<b><u>133,425</u></b>
<b><u>REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES) AND EXPENDITURES</u></b>			
	<b><u>(4,735)</u></b>	<b><u>(30,793)</u></b>	<b><u>(35,528)</u></b>
<b><u>FUND BALANCES, Beginning (as Restated)</u></b>	<b><u>27,342</u></b>	<b><u>265,909</u></b>	<b><u>293,251</u></b>
<b><u>FUND BALANCES, Ending</u></b>	<b><u>22,607</u></b>	<b><u>235,116</u></b>	<b><u>257,723</u></b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**FOOD SERVICE – SPECIAL REVENUE FUND**  
**For the Year Ended June 30, 2015**

	<u>Budget Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b><u>REVENUES</u></b>			
<b><u>Local Sources</u></b>			
Food Sales	6,200	8,220	2,020
Interest Earnings	11	13	2
Other	150	1,111	961
<u>Total Local Sources</u>	<u>6,361</u>	<u>9,344</u>	<u>2,983</u>
<b><u>State Sources</u></b>			
State Match	500	384	(116)
Smart Start	150	-	(150)
PK-2 Reduced Breakfast	70	-	(70)
<u>Total State Sources</u>	<u>720</u>	<u>384</u>	<u>(336)</u>
<b><u>Federal Sources</u></b>			
School Lunches	34,500	40,164	5,664
Fresh Fruits and Vegetables	-	3,594	3,594
Commodities	3,200	3,726	526
<u>Total Federal Sources</u>	<u>37,700</u>	<u>47,484</u>	<u>9,784</u>
<b><u>TOTAL REVENUES</u></b>	<b><u>44,781</u></b>	<b><u>57,212</u></b>	<b><u>12,431</u></b>
<b><u>EXPENDITURES</u></b>			
Salaries	39,000	45,118	(6,118)
Employee Benefits	19,213	19,132	81
Purchased Services – Professional	1,100	4,528	(3,428)
Purchased Services – Property	1,000	567	433
Purchased Services - Other	500	3,781	(3,281)
Supplies	12,050	5,159	6,891
Food and Milk	42,000	47,087	(5,087)
Appropriated Reserves	2,918	-	2,918
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>117,781</u></b>	<b><u>125,372</u></b>	<b><u>(7,591)</u></b>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	<b>(73,000)</b>	<b>(68,160)</b>	
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers In	63,000	63,425	425
<b><u>REVENUES AND SOURCES OVER (UNDER)</u></b>			
<b><u>EXPENDITURES AND USES</u></b>	<b>(10,000)</b>	<b>(4,735)</b>	
<b><u>FUND BALANCE, Beginning (as Restated)</u></b>	<b><u>10,000</u></b>	<b><u>27,342</u></b>	
<b><u>FUND BALANCE, Ending</u></b>	<b><u>-</u></b>	<b><u>22,607</u></b>	

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL**  
**CAPITAL RESERVE – CAPITAL PROJECTS FUND**  
**For the Year Ended June 30, 2015**

	<u>Budget Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b><u>REVENUES:</u></b>			
Earnings on Investments	190	303	113
<u>Total Revenues</u>	<u>190</u>	<u>303</u>	<u>113</u>
<b><u>EXPENDITURES:</u></b>			
Sites	-	1,321	(1,321)
Building Improvements	169,858	-	169,858
Equipment	-	4,853	(4,853)
Transportation	110,000	94,922	15,078
Appropriated Reserve	<u>36,241</u>	-	<u>36,241</u>
<u>Total Expenditures</u>	<u>316,099</u>	<u>101,096</u>	<u>215,003</u>
<u>Revenues Over (Under) Expenditures</u>	(315,909)	(100,793)	
<b><u>Other Operating Sources (Uses)</u></b>			
Operating Transfers In (Out)	<u>50,000</u>	<u>70,000</u>	<u>20,000</u>
<u>Net Change in Fund Balance</u>	(265,909)	(30,793)	
<u>Fund Balance, Beginning</u>	<u>265,909</u>	<u>265,909</u>	
<u>Fund Balance, Ending</u>	<u>-</u>	<u>235,116</u>	

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUND – AGENCY**  
**For the Year Ended June 30, 2015**

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	<u>Balance</u> <u>7-1-2014</u>	<u>Moffat</u> <u>Agency Fund</u>		<u>Balance</u> <u>6-30-2015</u>
		<u>Additions</u>	<u>Deductions</u>	
<b><u>ASSETS</u></b>				
Cash and Investments	<u>10,708</u>	<u>18,778</u>	<u>16,405</u>	<u>13,081</u>
<b><u>LIABILITIES</u></b>				
Deposits Held for Others	<u>10,708</u>	<u>18,778</u>	<u>16,405</u>	<u>13,081</u>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF ADDITIONS AND DEDUCTIONS**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**FIDUCIARY FUND - AGENCY**  
**For the Year Ended June 30, 2015**

	<u>Moffat Student Activity Fund</u>		
	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>		
<b><u>ADDITIONS</u></b>			
Local Receipts	<u>67,000</u>	<u>18,778</u>	<u>(48,222)</u>
<b><u>DEDUCTIONS</u></b>			
Disbursements	<u>77,708</u>	<u>16,405</u>	<u>61,303</u>
<b><u>CHANGES IN DUE TO STUDENT GROUPS</u></b>	<b>(10,708)</b>	<b>2,373</b>	
<b><u>DUE TO STUDENT GROUPS, Beginning</u></b>	<b><u>10,708</u></b>	<b><u>10,708</u></b>	
<b><u>DUE TO STUDENT GROUPS, Ending</u></b>	<b><u>-</u></b>	<b><u>13,081</u></b>	

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

**CRESTONE CHARTER SCHOOL  
COMPONENT UNIT**

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

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

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**CRESTONE CHARTER SCHOOL**  
**COMBINING BALANCE SHEET**  
**June 30, 2015**

	<u>Governmental Funds</u>			<u>Fiduciary</u>	
	<u>General</u>	<u>Capital</u>	<u>Total</u>	<u>Fund</u>	
	<u>Fund</u>	<u>Projects</u>	<u>Governmental</u>	<u>Student</u>	<u>Total</u>
		<u>Reserve</u>	<u>Fund</u>	<u>Activity</u>	
		<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<b><u>ASSETS</u></b>					
Cash	552,909	91,351	644,260	5,132	649,392
Accounts Receivable	4,530	-	4,530	-	4,530
Security Deposit	850	-	850	-	850
<u>Total Assets</u>	<u>558,289</u>	<u>91,351</u>	<u>649,640</u>	<u>5,132</u>	<u>654,772</u>
 <b><u>DEFERRED OUTFLOW</u></b>					
<b><u>OF RESOURCES</u></b>					
	-	-	-	-	-
 <b><u>LIABILITIES</u></b>					
Accounts Payable	9,489	-	9,489	-	9,489
Accrued Salaries	70,763	-	70,763	-	70,763
Unearned Grant Payments	4,287	-	4,287	-	4,287
Due To Others	50,794	-	50,794	5,132	55,926
<u>Total Liabilities</u>	<u>135,333</u>	<u>-</u>	<u>135,333</u>	<u>5,132</u>	<u>140,465</u>
 <b><u>DEFERRED INFLOW</u></b>					
<b><u>OF RESOURCES</u></b>					
	-	-	-	-	-
 <b><u>FUND BALANCES:</u></b>					
Restricted for:					
TABOR (Emergencies)	40,200	-	40,200	-	40,200
BEST Grant Renewal	-	60,000	60,000	-	60,000
Committed:					
Capital Outlay	-	31,351	31,351	-	31,351
Unassigned	382,756	-	382,756	-	382,756
<u>Total Fund Balances</u>	<u>422,956</u>	<u>91,351</u>	<u>514,307</u>	<u>-</u>	<u>514,307</u>
 <b><u>TOTAL LIABILITIES, DEFERRED</u></b>					
<b><u>INFLOWS, AND FUND BALANCES</u></b>					
	<u>558,289</u>	<u>91,351</u>	<u>649,640</u>	<u>5,132</u>	<u>654,772</u>

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



**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**CRESTONE CHARTER SCHOOL**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2015**

	<u>Governmental Funds</u>			<u>Fiduciary Fund</u> <u>Student Activity Fund</u>
	<u>General Fund</u>	<u>Capital Projects Capital Reserve Fund</u>	<u>Total Governmental Fund</u>	
<b><u>REVENUES</u></b>				
Local Sources	22,693	543	23,236	38,872
State Sources	52,909	-	52,909	-
Federal Sources	11,390	-	11,390	-
Allocation from Moffat School	<u>1,264,004</u>	<u>-</u>	<u>1,264,004</u>	<u>-</u>
<b><u>TOTAL REVENUES</u></b>	<u>1,350,996</u>	<u>543</u>	<u>1,351,539</u>	<u>38,872</u>
<b><u>EXPENDITURES</u></b>				
Instruction	<u>673,800</u>	<u>-</u>	<u>673,800</u>	<u>-</u>
Support Services:				
Student Support	53,068	-	53,068	-
Instructional Staff	2,909	-	2,909	-
General Administration	235,969	-	235,969	-
School Administration	183,279	-	183,279	-
Operations & Maintenance	79,010	-	79,010	-
Student Transportation	11,051	-	11,051	-
Central Support	47,001	-	47,001	-
Facilities	9,300	-	9,300	-
Capital Outlay	-	19,061	19,061	-
Student Activity	-	-	-	52,113
<u>Total Support Services</u>	<u>621,587</u>	<u>19,061</u>	<u>640,648</u>	<u>52,113</u>
<b><u>TOTAL EXPENDITURES</u></b>	<u>1,295,387</u>	<u>19,061</u>	<u>1,314,448</u>	<u>52,113</u>
<b><u>REVENUES OVER (UNDER)</u></b>				
<b><u>EXPENDITURES</u></b>	55,609	(18,518)	37,091	(13,241)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating Transfer In (Out)	<u>(50,000)</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(50,000)</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
<b><u>REVENUES OVER (UNDER)</u></b>				
<b><u>EXPENDITURES AND OTHER</u></b>	5,609	31,482	37,091	(13,241)
<b><u>SOURCES (USES)</u></b>				
<b><u>FUND BALANCE, Beginning</u></b>	<u>417,347</u>	<u>59,869</u>	<u>477,216</u>	<u>-</u>
<b><u>FUND BALANCE, Ending</u></b>	<u>422,956</u>	<u>91,351</u>	<u>514,307</u>	<u>-</u>
<b><u>DUE TO OTHERS, Beginning</u></b>				<u>18,373</u>
<b><u>DUE TO OTHERS, Ending</u></b>				<u>5,132</u>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**CRESTONE CHARTER SCHOOL**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2015**

	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b><u>REVENUES</u></b>			
<b><u>Local Sources</u></b>			
Earnings on Investments	550	539	(11)
Local Grants	10,000	10,000	-
Other Local Sources	<u>38,000</u>	<u>12,154</u>	<u>(25,846)</u>
<b><u>Total Local Sources</u></b>	<b><u>48,550</u></b>	<b><u>22,693</u></b>	<b><u>(25,857)</u></b>
<b><u>State Sources</u></b>			
State Capital Construction Grant	15,063	9,950	(5,113)
State Counselor Grant	25,823	29,803	3,980
Read Act	5,309	4,529	(780)
Gifted and Talented BOCES	-	430	430
State At Risk Supplemental	-	<u>8,197</u>	<u>8,197</u>
<b><u>Total State Sources</u></b>	<b><u>46,195</u></b>	<b><u>52,909</u></b>	<b><u>6,714</u></b>
<b><u>Federal Source</u></b>			
REAP Grant	6,320	6,428	108
BOCES -Title II-A	5,100	4,962	(138)
Other	<u>50,000</u>	-	<u>(50,000)</u>
<b><u>Total Federal Sources</u></b>	<b><u>61,420</u></b>	<b><u>11,390</u></b>	<b><u>(50,030)</u></b>
<b><u>Allocation from Moffat School</u></b>	<b><u>1,156,590</u></b>	<b><u>1,264,004</u></b>	<b><u>107,414</u></b>
<b><u>Total Revenues</u></b>	<b><u>1,312,755</u></b>	<b><u>1,350,996</u></b>	<b><u>38,241</u></b>
<b><u>EXPENDITURES</u></b>			
<b><u>Instruction</u></b>	<b><u>739,759</u></b>	<b><u>673,800</u></b>	<b><u>65,959</u></b>
<b><u>Supporting Services:</u></b>			
Student Support	54,119	53,068	1,051
Instructional Staff	7,000	2,909	4,091
General Administration	259,489	235,969	23,520
School Administration	190,825	183,279	7,546
Operations and Maintenance	83,266	79,010	4,256
Student Transportation	21,593	11,051	10,542
Central Support	49,036	47,001	2,035
Facilities	<u>16,063</u>	<u>9,300</u>	<u>6,763</u>
<b><u>Total Support Services</u></b>	<b><u>681,391</u></b>	<b><u>621,587</u></b>	<b><u>59,804</u></b>
<b><u>Appropriated Reserves</u></b>	<b><u>340,051</u></b>	<b><u>-</u></b>	<b><u>340,051</u></b>
<b><u>Total Expenditures</u></b>	<b><u>1,761,201</u></b>	<b><u>1,295,387</u></b>	<b><u>465,814</u></b>

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**CRESTONE CHARTER SCHOOL**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original &amp; Final</u>		
<u>Revenues Over (Under) Expenditures</u>	<u>(448,446)</u>	<u>55,609</u>	
<u>Other Financing Sources (Uses)</u>			
<u>Operating Transfers (Out)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
<u>Revenues Over Expenditures and</u> <u>Other Financing Uses</u>	<u>(498,446)</u>	<u>5,609</u>	
<u>Non-Appropriated Reserve</u>	<u>(56,012)</u>	<u>-</u>	
<u>FUND BALANCE, Beginning</u>	<u>554,458</u>	<u>417,347</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>422,956</u>	

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**CRESTONE CHARTER SCHOOL**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL**  
**CAPITAL RESERVE – CAPITAL PROJECTS FUND**  
**For the Year Ended June 30, 2015**

	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b><u>REVENUES:</u></b>			
Earnings on Investment	10	47	37
Other Local	<u>-</u>	<u>496</u>	<u>496</u>
<u>Total Revenues</u>	<u>10</u>	<u>543</u>	<u>533</u>
<b><u>EXPENDITURES:</u></b>			
Building Improvements	30,000	61	29,939
Transportation	30,000	19,000	11,000
Appropriated Reserve	<u>49,879</u>	<u>-</u>	<u>49,879</u>
<u>Total Expenditures</u>	<u>109,879</u>	<u>19,061</u>	<u>90,818</u>
<b><u>Revenues Over (Under) Expenditures</u></b>	<b>(109,869)</b>	<b>(18,518)</b>	
<b><u>Other Operating Sources (Uses)</u></b>			
Operating Transfers In (Out)	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<b><u>Net Change in Fund Balance</u></b>	<b>(59,869)</b>	<b>31,482</b>	
<b><u>FUND BALANCE, Beginning</u></b>	<u>59,869</u>	<u>59,869</u>	
<b><u>FUND BALANCE, Ending</u></b>	<u>-</u>	<u>91,351</u>	

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
CRESTONE CHARTER SCHOOL  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
FIDUCIARY FUND – AGENCY  
For the Year Ended June 30, 2015**

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	<u>Balance</u> <u>7-1-2014</u>	<u>Crestone</u> <u>Agency Fund</u>		<u>Balance</u> <u>6-30-2015</u>
		<u>Additions</u>	<u>Deductions</u>	
<b><u>ASSETS</u></b>				
Cash and Investments	<u>18,373</u>	<u>38,872</u>	<u>52,113</u>	<u>5,132</u>
<b><u>LIABILITIES</u></b>				
Deposits Held for Others	<u>18,373</u>	<u>38,872</u>	<u>52,113</u>	<u>5,132</u>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**CRESTONE CHARTER SCHOOL**  
**SCHEDULE OF CHANGES IN ADDITIONS AND DEDUCTIONS**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**FIDUCIARY FUND – AGENCY**  
**For the Year Ended June 30, 2015**

	<u>Crestone Agency Funds</u>		
	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b><u>ADDITIONS</u></b>			
Local Receipts	<u>100,000</u>	<u>38,872</u>	<u>(61,128)</u>
<b><u>DEDUCTIONS</u></b>			
Disbursements	<u>118,374</u>	<u>52,113</u>	<u>66,261</u>
<b><u>CHANGES IN DUE TO STUDENT GROUPS</u></b>	<u>(18,374)</u>	<u>(13,241)</u>	
<b><u>DUE TO STUDENT GROUPS, Beginning</u></b>	<u>18,374</u>	<u>18,373</u>	
<b><u>DUE TO STUDENT GROUPS, Ending</u></b>	<u>—</u>	<u>5,132</u>	

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

**STATE REQUIRED SCHEDULES**

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

**Bolded Balance Sheet**



**Colorado Department of Education**

**Auditors Integrity Report**

District: 2800 - MOFFAT 2

Fiscal Year 2014-15

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	1000 - 5999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>				
10 General Fund	1,598,155	1,877,173	1,803,062	1,672,266
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	-4,237	85,224	79,691	1,296
<b>Sub-Total</b>	<b>1,593,918</b>	<b>1,962,397</b>	<b>1,882,753</b>	<b>1,673,562</b>
11 Charter School Fund	417,347	1,300,996	1,295,366	422,956
20,26-29 Special Revenue Fund	0	0	0	0
21 Food Service Spec Revenue Fund	27,342	120,637	125,372	22,607
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	285,484	427,045	395,730	316,799
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	3,835,617	5,698,253	13,524,870	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	325,778	120,845	120,157	326,466
<b>Total</b>	<b>5,485,465</b>	<b>13,621,174</b>	<b>17,245,659</b>	<b>2,763,390</b>
<b>Proprietary</b>				
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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
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	29,081	57,650	66,518	18,212
79 GASB 34/Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Total</b>	<b>29,081</b>	<b>57,650</b>	<b>66,518</b>	<b>18,212</b>
<b>FINAL</b>				

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



**Colorado Department of Education**  
**Bolded Balance Sheet Report**  
 District: 2800 - MOFFAT 2  
 Fiscal Year 2014-15  
 Colorado School District/BOCES



	Governmental							Proprietary					Fiduciary		Totals	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Services Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50 52-59	Risk-Related Activity Funds 60-64	Other/ Internal Service Funds 60	Trustee Agency Funds 70-79	Foundations Fund 85				
<b>ASSETS</b>																
Cash and Investments (8100-8104,8111)	1,645,560	552,909	8,864	17,867	0	236,009	326,466	0	0	0	18,212	0	0	0	2,805,888	
Cash with Fiscal Agent (8105)	44,341	0	0	0	0	53,169	0	0	0	0	0	0	0	0	97,510	
Taxes Receivable (8121,8122)	145,961	0	0	0	0	77,921	0	0	0	0	0	0	0	0	223,882	
Interfund Loans Receivable (8131,8132)	51,159	0	0	0	0	0	0	0	0	0	0	0	0	0	51,159	
Intergovernmental Accounts Rec (8141)	0	0	0	3,645	0	0	0	0	0	0	0	0	0	0	3,645	
Grants Accounts Receivable (8142)	5,901	4,529	0	0	0	0	0	0	0	0	0	0	0	0	10,430	
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	2,230,552	0	0	0	0	0	0	0	2,230,552	
Inventories (8171,8172,8173)	0	0	0	1,461	0	0	0	0	0	0	0	0	0	0	1,461	
Prepaid Expenses 8181,8182)	34,810	0	0	0	0	0	0	0	0	0	0	0	0	0	34,810	
Other Current Assets (8191-8194,8199)	0	850	0	0	0	0	0	0	0	0	0	0	0	0	850	
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total Assets</b>	<b>1,927,732</b>	<b>558,288</b>	<b>8,864</b>	<b>27,973</b>	<b>0</b>	<b>367,099</b>	<b>2,557,019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,212</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,480,186</b>	

	Governmental						Proprietary					Fiduciary
	General Funds 10,12-18	Charter School Fund 11	Praschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Services Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
<b>LIABILITIES &amp; FUND EQUITY</b>												
<b>LIABILITIES</b>												
Interfund Payables (7401,7402)	0	50,794	0	366	0	0	0	0	0	0	0	51,159
Intergovernmental Payables (7411)	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	40,794	9,488	0	0	0	0	1,597,118	0	0	0	0	1,647,399
Accrued Expenses (7461)	102,614	70,763	7,567	0	0	0	0	0	0	0	0	180,945
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0
Unearned Revenue (7481)	88,011	0	0	0	0	50,300	0	0	0	0	0	138,311
Grants Deferred Revenue (7482)	24,048	4,287	0	0	0	0	0	0	0	0	0	28,335
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	633,434	0	0	0	0	633,434
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>255,466</b>	<b>135,332</b>	<b>7,567</b>	<b>366</b>	<b>0</b>	<b>50,300</b>	<b>2,230,552</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,879,684</b>

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 60-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Fund Balance 6720	0	0	0	22,607	0	316,799	0	0	0	0	0	0	339,406
TABOR 3% Emergency Reserve 6721	354,100	40,200	0	0	0	0	0	0	0	0	0	0	394,300
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	1,296	0	0	0	0	0	0	0	0	0	1,296
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	60,000	0	0	0	0	0	60,000
Committed Fund Balance 6750	0	0	0	0	0	0	266,466	0	0	0	0	0	266,466
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	1,318,166	382,756	0	0	0	0	0	0	0	0	18,212	0	1,719,134
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund Equity</b>	<b>1,672,266</b>	<b>422,956</b>	<b>1,296</b>	<b>22,607</b>	<b>0</b>	<b>316,799</b>	<b>326,466</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,212</b>	<b>0</b>	<b>2,280,802</b>

General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 60-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
1,927,732	558,288	8,864	22,973	0	367,099	2,557,019	0	0	0	18,212	0	5,460,186
<b>Total Liabilities &amp; Fund Equity</b>												

For Each Fund Type:  
Do Assets=Liability+Fund Equity