

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado

Financial Statements

For the Year Ended June 30, 2015

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
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INDEPENDENT AUDITOR'S REPORT

Board of Education
Cheyenne County School District RE-5
P O Box 577
Cheyenne Wells, CO 80810

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cheyenne County School District RE-5, as of and for the year ended June 30, 2015, 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, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cheyenne County School District RE-5, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the fiscal year, the District adopted Governmental Accounting Standards Board No. 68, *Accounting and Financial Reporting for Pensions Plans - an amendment to GASB no. 27*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages a-g and 22-24 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. For the management discussion & analysis 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. The budgetary comparison schedule for the General Fund has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cheyenne County School District RE-5's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual nonmajor fund financial statements and the Auditor's Integrity Report 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, based on our audit, the procedures performed as described above, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

WINFREY, COUNTY & HAYS, PC
Certified Public Accountants



by: Gerald County, CPA

October 14, 2015

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Management Discussion and Analysis
Year Ended June 30, 2015

Management of the District offers readers of the basic financial statements this narrative overview and analysis of the financial statements of the District for the fiscal year ended June 30, 2015.

Financial Highlights

At the beginning of the fiscal year the District implemented GASB No. 68, Accounting and Financial Reporting for Pension Plans. As a result of that statement, the District recognized a net pension liability of \$4,449,056, plus deferred outflows of \$263,400 and deferred inflows of \$211,833. These and other operations created a deficit in unrestricted net position of \$2,985,354. The net position increased \$667,598.

Without the above adjustments, the District would have had \$10,436,037 of net position and unrestricted net position of \$1,446,360. The net position would have increased \$740,310.

The District's net position increased by \$667,598.

At the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,854,329, an increase \$384,126 from the prior year.

General Fund expenditures exceeded revenues by \$369,945 for the 2014/2015 school year. The Bond Redemption Fund increased \$1,716, the Student Activity Special Revenue Fund increased by \$4,415, and the Food Service Special Revenue Fund increased by \$8,050.

At July 1, 2014, the Food Service Fund was changed from a proprietary fund to a governmental special revenue fund. This is an accounting change which had no effect on the equity of the District.

The District has had adequate resources available for all appropriations.

Overview of the Financial Statements

This discussion is intended as an introduction to the District's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) Notes to the Financial Statements. In addition to the basic financial statements, also provided is other supplementary information.

Government-Wide Financial Statements

These statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Management Discussion and Analysis
Year Ended June 30, 2015
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The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, are one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indication of whether its financial health is improving or deteriorating.

The government-wide statements show all of the governmental activities and indicate all of the District's basic services are included here, such as instruction, administration, operation of the buildings and grounds, and pupil transportation. Property taxes and state and federal subsidies and grants finance these activities.

Fund Financial Statements

These statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required by state law and bond requirements.

Governmental funds - most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Management Discussion and Analysis
 Year Ended June 30, 2015
 (continued)

Financial Analysis of the District as a Whole:

The District's total net position was \$6,004,323 at June 30, 2015.

Table 1
 Fiscal Year Ended June 30, 2015
 Net Position

	<u>Government Activities</u>	
	<u>6/30/2015</u>	<u>6/30/2014</u>
Current and other assets	3,088,605	2,645,357
Capital assets	<u>9,020,672</u>	<u>9,359,931</u>
Total assets	12,109,277	12,005,288
Deferred Outflows	263,400	50,022
Current liabilities	967,502	907,567
Long term liabilities	<u>739,964</u>	<u>1,452,016</u>
Total Liabilities	1,707,466	2,359,583
Deferred Inflows		0
Net Position		
Invested in capital assets	7,585,672	7,229,931
Restricted		
For TABOR	87,385	86,264
For Scholarship	58,735	58,735
For Preschool	31,490	25,104
For Debt Service	1,226,395	1,224,680
Unrestricted	<u>(2,985,354)</u>	<u>1,071,014</u>
Total Net Position	<u>6,004,323</u>	<u>9,695,728</u>

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the Cheyenne County School District RE-5, assets exceed liabilities by approximately \$6,004,323, a decrease of \$3,691,405 from 2014.

Of the District's \$12,109,277 in assets, \$9,020,672 (74%) reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

The results of this year's operations as a whole are reported in the Statement of Activities on Page 2. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues. The two largest general revenues are the equalization provided by the State of Colorado Department of Education and the property taxes assessed to District taxpayers.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Management Discussion and Analysis
 Year Ended June 30, 2015
 (continued)

Table 2 takes the information from that statement, rearranges it slightly, so you can see our total revenues for the year.

Table 2
 Fiscal Year Ended June 30, 2015
 Change in Net Position

	<u>Government Activities</u>	
REVENUES	<u>6/30/2015</u>	<u>6/30/2014</u>
Program Revenues		
Charges for service	108,969	88,044
Operating grants	263,949	258,371
Capital Grants/Contributions	0	4,000
General Revenues		
Property taxes	2,020,229	1,538,700
Auto taxes	187,680	219,837
State Equalization	1,210,819	1,172,220
Other	32,604	514,733
Sale of Assets	<u>378</u>	<u>0</u>
Total Revenues	3,824,628	3,795,905
EXPENSES		
Instruction	1,750,770	1,711,330
Pupil services	74,120	65,248
Instructional services	60,379	50,525
General administration	200,708	179,385
School administration	237,325	224,657
Operations & maintenance	360,368	334,014
Pupil transportation	207,043	220,618
Central services	35,565	31,386
Debt service	37,097	51,447
Noninstructional	72,446	52,778
Food Services	<u>121,209</u>	<u>122,260</u>
Total Expenses	<u>3,157,030</u>	<u>3,043,648</u>
Increase (decrease) in net position	<u>667,598</u>	<u>752,257</u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Management Discussion and Analysis
 Year Ended June 30, 2015
 (continued)

Table 3 shows the District's nine largest functions and unallocated depreciation expense. It also shows the net costs (total cost less revenues generated by the activities). This table also shows the net costs offset by the other unrestricted grants and subsidies to show the remaining financial needs supported by local taxes and other revenues.

Table 3
 Fiscal Year Ended June 30, 2015
 Government Activities

Functions/Programs	Total Cost of Programs	Net Cost of Services	Prior Year
Instruction	1,223,583	1,099,616	976,052
Pupil services	9,778	9,778	6,737
Instructional services	55,828	55,828	80,322
General administration	190,506	190,506	196,980
School administration	39,064	39,064	32,258
Operations & maintenance	288,966	288,966	284,387
Pupil transportation	212,694	164,628	174,342
Central services	10,119	10,119	9,978
Food Services	109,663	60,521	55,228
Student activities	<u>99,152</u>	<u>(2,158)</u>	<u>(16,383)</u>
Total Government Activities	2,239,352	1,916,866	1,799,901
Less State Equalization		<u>817,594</u>	<u>833,216</u>
Total needs from local taxes and other revenue		<u>1,099,272</u>	<u>966,685</u>

The District Funds

At June 30, 2015, the District governmental funds reported a combined fund balance of \$2,854,329, which is an increase of \$384,126. The primary reasons for this decrease are:

In the General Fund, revenues exceeded the expenditures by \$369,945. Revenues increased slightly from 2014, while expenditures increased \$112,781, so the excess was down from \$473,651 from the prior year.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Management Discussion and Analysis
 Year Ended June 30, 2015
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Financial Analysis of the District's Funds:

Revenues in general fund that increased slightly.

General Fund expenditures increased by \$112,781. Transportation expenditures increased by \$40,900 was the largest increase for capital outlay.

The Bond Fund increased by \$1,716.

The Food Service Fund showed an increase of \$8,050. Revenues were up while expenditures decreased.

The Student Activity Fund showed an increase of \$4,415.

General Fund Budget

No revisions were made to the original budget.

Capital Assets and Debt Administration

At June 30, 2015, the District had \$9,020,672 invested in capital assets. This represents a net decrease (including additions and depreciation) of \$339,259. Depreciation expense was \$392,739. The only capital assets purchased was a bus for \$53,480.

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Sites & Improvements	205,368	205,368
Buildings	10,979,310	10,979,310
Equipment	2,030,359	2,030,359
Transportation	<u>530,513</u>	<u>496,033</u>
Total capital assets	13,745,550	13,711,070
Accumulated depreciation	<u>(4,724,878)</u>	<u>(4,351,139)</u>
Total capital assets	<u>9,020,672</u>	<u>9,359,931</u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Management Discussion and Analysis
 Year Ended June 30, 2015
 (continued)

Long-Term Debt

At year end, the District had approximately \$2,130,000 in general obligation bonds outstanding. This is a reduction of \$675,000 from the prior year. There was also \$21,270 of compensated absences due.

	<u>2015</u>	<u>2014</u>
Bonds Payable	1,435,000	2,130,000
Compensated Absences		
General Fund	16,890	18,780
Food Services	<u>1,815</u>	<u>2,490</u>
Total	1,453,705	2,151,270

In 2015, the District paid a total of \$695,000 in principal toward its outstanding bond obligation.

Economic Factors and Next Year’s Budget and Rates:

Factors that will continue to affect next year’s budget are the concerns with the changing economy, the adjustments in school finance funding in regards to the “negative factor”, and property taxes due to a drop in oil and gas prices which will affect our assessed valuation, concerns over dropping student enrollment, although it is starting to level off, and increased costs in employee insurance premiums. The Board of education approved staff salary increases, the purchase of a used school bus, and made improvements to the running track again this year.

The prediction is that the current state of the economy will continue to grow and get stronger and continue to impact the farming community and local economics located within the school district. The school district continues to experience a slight decrease in student enrollment. The four year student averaging used to base the funded count by CDE will probably be calculated at a lesser funded count than in 2014.

Contacting the District Financial Management

Our financial report is designed to provide a general overview of the District’s finances for all those with an interest in the District’s finances. Questions concerning the information provided in this report or requests for additional information should be addressed to the Superintendent of Schools at Cheyenne County School District RE-5, P O Box 577, Cheyenne Wells, CO 80810.



BASIC FINANCIAL STATEMENTS

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Statement of Net Position
 June 30, 2015

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	2,697,972
Certificates of deposit	334,230
Accounts/grants receivable	801
Due from other funds	15
Inventory	7,381
Accrued property taxes receivable	48,205
Capital assets, net of accumulated depreciation	<u>9,020,672</u>
Total Assets	12,109,277
DEFERRED OUTFLOWS	263,400
LIABILITIES	
Accounts Payable	59,334
Accrued salaries payable	173,112
Due to other funds	15
Noncurrent Liabilities	
Due within one year	
Compensated absences	3,741
Accrued interest	21,300
Bonds payable	710,000
Due in more than one year	739,964
Net Pension Liability	<u>4,449,056</u>
Total Liabilities	6,156,522
DEFERRED INFLOWS	211,833
NET POSITION	
Invested in capital assets	7,585,672
Reserved for TABOR	87,385
Restricted	
For Music	58,735
For Preschool	31,490
For Debt Service	1,226,395
Unrestricted	<u>(2,985,354)</u>
Total Net Position	<u>6,004,323</u>

CHEYENNE WELLS SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Statement of Activities
 For the Year Ended June 30, 2015

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Service</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>
Governmental Activities				
Instructional	1,750,770	15,050	159,451	
Support Services				
Pupil services	74,120			
Instructional services	60,379			
General administration	200,708			
School administration	237,325			
Operations & maintenance	360,368			
Pupil transportation	207,043		40,016	
Central services	35,565			
Non Instructional	72,446	51,861		
Debt Service	37,097			
Food Services	<u>121,209</u>	<u>42,058</u>	<u>64,482</u>	<u>0</u>
Total Governmental Activities	3,157,030	108,969	263,949	0

General revenues:

Taxes
Property taxes, levied for general purposes
Property taxes, levied for debt service
Specific ownership taxes
State Equalization
Miscellaneous
Investment earnings
Sale of assets
Total General Revenues

Change in Net Position

Net Position - Beginning
Change in Accounting - Note 2C
Prior Year Adjustment - Note 2 D
Net Position - Ending

Net (Expense) Revenue and
Changes in Net Position
 Governmental
Activities

(1,576,269)

(74,120)

(60,379)

(200,708)

(237,325)

(360,368)

(167,027)

(35,565)

(20,585)

(37,097)

(14,669)

(2,784,112)

1,288,601

731,628

187,680

1,210,819

29,786

2,819

378

3,451,710

667,598

9,683,971

11,757

(4,359,002)

6,004,323

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Balance Sheet
 Governmental Funds
 June 30, 2015

	<u>General</u>	<u>Bond Redemption</u>	<u>NonMajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	1,739,420	933,923	24,629	2,697,972
Certificates of deposit	59,230	275,000	0	334,230
Accounts Receivable	0	0	801	801
Inventory	0	0	7,381	7,381
Accrued property taxes receivable	30,747	17,457	0	48,205
Due from other funds	<u>0</u>	<u>15</u>	<u>0</u>	<u>15</u>
Total Assets	<u>1,829,398</u>	<u>1,226,395</u>	<u>32,812</u>	<u>3,088,605</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	59,334	0	0	59,334
Accrued salaries payable	166,445	0	6,667	173,112
Accrued sick leave	0	0	1,815	1,815
Due to other funds	<u>15</u>	<u>0</u>	<u>0</u>	<u>15</u>
Total Liabilities	225,794	0	8,482	234,276
 Fund Balances				
Restricted				
For TABOR	87,385	0	0	87,385
For Debt Service	0	1,226,395	0	1,226,395
For Music	58,735	0	0	58,735
For Preschool	31,490	0	0	31,490
Nonspendable	0	0	7,381	7,381
Assigned	0	0	16,949	16,949
Unassigned	<u>1,425,994</u>	<u>0</u>	<u>0</u>	<u>1,425,994</u>
Total Fund Balances	<u>1,603,603</u>	<u>1,226,395</u>	<u>24,330</u>	<u>2,854,329</u>
 Total Liabilities and Fund Balances	 <u>1,829,398</u>	 <u>1,226,395</u>	 <u>32,812</u>	 <u>3,088,605</u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Balance Sheet
 Governmental Funds
 June 30, 215

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

Total Governmental Fund Balances	2,854,329
Amounts reported for governmental activities in the statement of net position are different because of the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	9,020,672
Deferred outflows of resources, reported as deferred amount on pensions, are not financial resources and thus are not reported as assets in governmental funds	263,400
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(5,922,246)
Deferred inflows of resources, report as deferred amount on pensions, are not financial resources and thus are not reported as assets in governmental funds	<u>(211,833)</u>
Net Position of Governmental Activities	<u><u>6,004,323</u></u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2015

	<u>General</u>	<u>Bond Redemption</u>	<u>NonMajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources				
Property Taxes	1,289,848	732,366	0	2,022,214
Specific Ownership Taxes	187,680	0	0	187,680
Interest	6,347	0	0	6,347
Other	39,700	0	93,919	133,619
Intergovernmental				
State Sources				
Equalization	1,210,819	0	0	1,210,819
Other	155,619	0	2,353	157,972
Federal Sources	<u>43,848</u>	<u>0</u>	<u>62,129</u>	<u>105,977</u>
Total Revenues	2,933,861	732,366	158,401	3,824,628
EXPENDITURES				
Current				
Instruction	1,325,472	0	0	1,325,472
Supporting Services				
Students	71,271	0	0	71,271
Instructional staff services	58,105	0	0	58,105
General administration	195,965	0	0	195,965
School administration	228,754	0	0	228,754
Operations & maintenance	356,581	0	0	356,581
Pupil transportation	168,357	0	0	168,357
Central services	31,107	0	0	31,107
Non Instructional	0	0	72,446	72,446
Food Service	0	0	118,649	118,649
Debt Service	0	730,650	0	730,650
Capital Outlay	<u>83,145</u>	<u>0</u>	<u>0</u>	<u>83,145</u>
Total Expenditures	<u>2,518,757</u>	<u>730,650</u>	<u>191,095</u>	<u>3,440,502</u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2015
 (continued)

	<u>General</u>	<u>Bond Redemption</u>	<u>NonMajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues over (under) Expenditures	415,104	1,716	(32,694)	384,126
Other Financing Sources (Uses)				
Operating Transfers In (Out)	<u>(45,159)</u>	<u>0</u>	<u>45,159</u>	<u>0</u>
Revenues & Other Sources over (under) Expenditures & Other Sources	369,945	1,716	12,465	384,126
Fund Balance - Beginning	1,233,659	1,224,680	108	2,458,447
Change in Accounting	<u>0</u>	<u>0</u>	<u>11,757</u>	<u>11,757</u>
Fund Balance - Ending	<u>1,603,603</u>	<u>1,226,395</u>	<u>24,330</u>	<u>2,854,329</u>

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
 Balances of Governmental Funds to the Statement of Activities

Net change in fund balances - total governmental funds	384,126
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Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period.

Capital outlays	53,480	
Depreciation expense	<u>(392,739)</u>	(339,259)

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
For the Year Ended June 30, 2015

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
(Continued)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount represents the additional interest in the statement of activities

Bond accrued interest	(21,300)	
Bond actual interest	<u>35,650</u>	14,350

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	1,890	
Pension expenses	<u>(72,712)</u>	<u>(70,822)</u>

The issuance of long-term debt (e.g. bonds & leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Principal on bonds	695,000	
Amortized interest expense on defeased bonds	<u>(15,797)</u>	<u>679,203</u>

Change in net position of governmental activities		<u>667,598</u>
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CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Statement of Fiduciary Net Position
Student Activity Agency Fund
June 30, 2015

	Student Activity Fund
ASSETS	
Cash in bank	<u>92,525</u>
LIABILITIES	
Due to Student Activities	<u>92,525</u>
NET POSITION	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Notes to the Financial Statements
June 30, 2015

Cheyenne County School District RE-5 is an independent governmental entity organized under provisions of the Colorado Revised Statutes. It operates entirely within Cheyenne County but is not part of the County government. There are no component units that should be included in these financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Cheyenne County School District RE-5 have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles and the District is following the *Financial Policies and Procedures Handbook*. The following is a summary of the significant policies:

A. Reporting Entity

The Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the school as a reporting entity, management has addressed all potential component units which may or may not fall within the District's financial accountability. The criteria used to evaluate component units for possible inclusion as part of the District's reporting entity are financial accountability and the nature and significance of the relationship. The District is considered to be a primary government because it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. It has no component units. Neither is it a component unit of any other entity.

This report includes all funds of Cheyenne County School District RE-5.

B. Basis of Presentation

The District implemented the provisions of GASB 68, "Accounting and Financial Reporting for Pensions Plans - an amendment to No. 27", during the year ended June 30, 2015. GASB 68 replaced the requirements of Statement No. 27, "Accounting for Pensions by State and Local Governmental employers", and GASB 50, "Pension Disclosures-an amendment to GASB Statements No. 25 and 27", as they relate to pension plans that are administered trusts or equivalent arrangements that meet certain criteria. GASB 68 enhances the standards for footnote disclosures and required supplementary information (RSI) for pension plans, including net pension liability (NPL), ratio of fiduciary net position (FNP) to total pension liability (TPL), actuarial methods, and assumptions.

Government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the school district. As a general rule, the effect of interfund activity has been eliminated from these statements. Government 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 given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are also provided in the report for all of the governmental funds, and the fiduciary funds of the district. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Notes to the Financial Statements
 June 30, 2015
 (continued)

The District reports the following major governmental funds:

The general fund is the district's primary operating fund. It accounts for all financial resources except those required to be in another fund.

The bond redemption fund accounts for the collection of property taxes for the payment of the bond issue.

Additionally the District reports the Student Activity agency fund which accounts for cash held by the District for related organizations. It is custodial in nature and does not involve measurement of results of operations.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary 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. Net position (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and 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 with the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Revenues from federal, state, and other grants designated for payment of specific school district expenditures are recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

D. Budgets and Budgetary Accounting

All funds must have budgets to be allowed expenditures. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at year end.

Budget Calendar -

Submission of proposed budget to Board of Education by May 31. On June 10 or within ten days after submission of the proposed budget, a notice shall be published stating the proposed budget is on file and available for inspection.

Last date for final adoption of the budget and appropriation resolution is June 30.

January 31 is last date to change adopted budget.

By December 15, the Board of Education certifies to County Commissioners the mill levy against the assessed valuation for the general and bond redemption funds.

The legal level of budgetary control is at the individual fund level.

E. Encumbrances

Encumbrance accounting where purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the District.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Notes to the Financial Statements
 June 30, 2015
 (continued)

F. Assets, Liabilities and Net position or Equity

1. Deposits

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to deposit funds in institutions who are members of the federal deposit insurance corporation or the federal savings and loan insurance corporation to the extent that the deposit is insured by one of the above or is secured by pledge of eligible collateral as required by CRS 11-10.5-107

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds". Any residual balances outstanding between the government activities and business-type activities are reported in the government-wide statements as "internal balances".

Accounts receivable and property taxes receivables are shown at gross. Uncollectibles have not been material.

3. Inventories

The purchase method is used to account for inventories in the governmental funds. Under this method, inventories are recorded as expenditures when purchased.

A physical inventory was taken as of June 30, 2015 for the Food Services special revenue fund. The inventory consisted of government donated commodities which were valued at estimated fair market value, and purchased commodities and supplies were both valued at cost using the first-in, first-out (FIFO) method.

4. Capital Assets

Capital asset, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the school district as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant and equipment are depreciated in the proprietary funds using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Site improvements	30
Buildings	22-50
Equipment	5-25
Vehicles	7-10

The District does not have any infrastructure assets.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Notes to the Financial Statements
 June 30, 2015
 (continued)

5. Compensated Absences

Compensated Absences - The district allows the accumulation of 30 days sick leave per employee with all excess over 30 days paid in cash each year on September 1. The accumulated sick leave is payable to employees at termination, resignation, retirement or death.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds issuance costs are reported as deferred charges and amortized over the term of the debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The amounts of unpaid vacation leave accumulated by District employees are accrued as expenses when incurred. Employees are limited in the number of unused vacation hours they may carry forward at year-end. The District records the accrued liability for unpaid vacation leave in the accompanying basic financial statements as liabilities.

7. 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. Actual results could differ from those estimates.

8. Fund Balances and Net position

In the government-wide and proprietary fund financial statements, net position are classified in the following categories;

Invested in Capital Assets, Net of Related Debt – this category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding debt balances that are attributable to the acquisition, construction or improvement of these assets reduce this category.
 Restricted Net position – indicates that portion of net position which has been legally segregated for specific purposes or is not available for appropriation

Unrestricted Net position – represents the amount which is not reserved for any purpose and is available for appropriation and expenditures in future periods

When both restricted and unrestricted funds are available, restricted are deemed first spent.

In the fund financial statements, fund balances of governmental funds are classified in the following categories;

Nonspendable – amounts that cannot be spent because they are either in non spendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of a permanent fund which is required to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale.

Restricted – when constraints placed on the use of resources are either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Notes to the Financial Statements
 June 30, 2015
 (continued)

Assigned – amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself, or a body the Superintendent who has been delegated the authority to assign amounts to be used for specific purposes.

Unassigned – the residual for the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount.

When committed, assigned, or unassigned funds are available, committed is first spent, then assigned.

At June 30, 2015 the amounts restricted were \$1,226,395 for bond retirement, \$31,490 for preschool, \$87,685 for the Tabor Reserve, and \$58,735 for music.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment’s language in order to determine its compliance.
 In November 1997, voters of the District approved a ballot issue which allows the District to collect, retain, and expend revenues from all sources, without limit.
- B. The District is in compliance with Financial Policies and Procedures handbook prepared by the Colorado Department of Education
- C. On July 1, 2014 the Food Service Fund was changed from a proprietary fund to a governmental special revenue fund. This is an accounting change which had no net effect on the District's equity.
- D. For the fiscal year ended June 30, 2015, the District implemented GASB 68, reporting for pensions. As a result, a prior year adjustment was required that included the amount \$4,476,810 of net pension liability for the District as computed by PERA, less the amount the District submitted to PERA of \$117,808 after PERA's year end. The net prior year adjustment is \$4,359,002.
- E. Expenditures in the Bond Redemption Fund and Student Activity Special Revenue Fund of \$730,650 and \$72,446, respectively, exceed the budgeted amount of \$727,725 and \$55,000, respectively. These may be a violation of the State budget laws.

(3) DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

- A. Deposits and Investments - all are in a single financial institution and carried at cost. Deposits are displayed on the balance sheets as "Cash in Bank" and "Certificates of Deposit".

The Colorado Public Deposit Protection Act (PDPA) requires that all political subdivisions of the State 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 specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 2% of the aggregate uninsured deposits.

The Colorado Division of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial Credit Risk - the risk that, in the event of bank failure, the District’s deposits may not be returned to it. The District does not have a written deposit policy for custodial credit risk.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Notes to the Financial Statements
June 30, 2015

At June 30, 2015, the District's cash deposits had a bank balance and carrying balance as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Insured (FDIC) \$445,813	\$500,000	
Deposits collateralized in a single institution pools	<u>2,121,393</u>	<u>2,624,728</u>
Total Deposits	\$2,567,206	\$3,124,728
Shown as Certificates of Deposit		(334,230)
In Agency Fund		<u>(92,525)</u>
Cash		<u>2,697,973</u>

As presented above, deposits with a bank balance of \$2,121,393 and a carrying balance of \$2,624,728 as of June 30, 2015, are uninsured, are exposed to custodial credit risk, and are collateralized with securities held by the pledging financial institution.

B. Accrued Property Taxes Receivable - the amount budgeted for the current year, not yet collected.

Property Tax Calendar - taxes are levied by December 15, tax bills are mailed January 1 of the following year, creating an enforceable lien on the property. If paid by installments of one-half each, the first is due February 28, the second June 15. If paid in one payment, the due date is April 30. Taxes are delinquent if not paid by those dates. Notice of delinquencies are mailed in September, and tax sales scheduled for November.

C. Changes in General Fixed Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Land	174,600	-0-	-0-	174,600
Site Improvements	30,768	-0-	-0-	30,768
Buildings	10,979,310	-0-	-0-	10,979,310
Equipment	2,030,359	-0-	-0-	2,030,359
Transportation	<u>496,033</u>	<u>53,480</u>	<u>19,000</u>	<u>530,513</u>
Total	13,711,070	53,480	19,000	13,745,550
Less Accumulated Depreciation				
Site Improvements	5,213	1,026	-0-	6,239
Buildings	2,910,616	227,833	-0-	3,138,449
Equipment	1,041,518	130,142	-0-	1,171,660
Transportation	<u>393,792</u>	<u>33,738</u>	<u>19,000</u>	<u>408,530</u>
Total	<u>4,351,139</u>	<u>392,739</u>	<u>19,000</u>	<u>4,724,878</u>
Government Activities				
Capital Assets, Net	<u>9,359,931</u>	<u>(339,259)</u>	<u>-0-</u>	<u>9,020,672</u>

Depreciation expense for the governmental activities was allocated \$359,001 to instruction and \$33,738 to transportation.

D. Changes in Long-Term Debt

	<u>Balance July 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30</u>
Compensated Absences				
General Fund	18,780	8,310	10,200	16,890
Food Service	2,490	900	575	1,815
Bonds Payable	<u>2,130,000</u>	<u>-0-</u>	<u>695,000</u>	<u>1,435,000</u>
	2,151,270	9,210	705,775	1,453,705

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Notes to the Financial Statements
June 30, 2015
(continued)

General Obligation Bonds Payable.

On November 6, 2001, the taxpayers passed at election to issue bonds up to \$10,000,000. The money was to be used to build a pre K-8 school facility, renovate the existing high school and acquire furniture and equipment for the school. The contract for the construction was \$9,491,820. The construction was complete by June 30, 2003. The net effective interest rate is 3.90%.

On August 18, 2011, the District issues \$4,125,000 of refunding general obligation bonds with average rate of 2.5% to advance refund \$4,070,000 of the 2001 series bonds. The net proceeds of \$4,164,779 (after receiving a premium of \$113,668 and payment of \$73,889 issue costs) were deposited in escrow to purchase U S government securities. As a result, all of the 2001 series bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

The advanced refunding resulted in a difference between the acquisition price and the net carrying amount of the old debt of \$94,779. The difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charge to operations through the year 2016 using the effective interest method. The District completed the advance refunding to reduce its total debt service payments over the next 5 years by \$291,242 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$282,101.

Following is a schedule of payments for the 2011 refunding bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rate</u>
12/15/15	710,000	14,350	724,350	2.00%
6/15/16		7,250	7,250	2.00%
12/15/16	<u>725,000</u>	<u>7,250</u>	<u>732,250</u>	2.00%
Total	1,435,000	28,850	1,463,850	

E. Deferred Outflows of Resources

	<u>Balance July 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30</u>
Defeased Bonds	50,022	-0-	15,797	34,225

(4) OTHER INFORMATION

- A. Risk Management - The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined Colorado School District Self Insurance Pool, a public entity risk pool currently operating as a common risk management and insurance program for members. The District pays an annual premium to CSDSI for its property and casualty and workers' compensation insurance coverage. The intergovernmental agreement of formation of CSDSI provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

The District carries commercial insurance for all risks or loss, including workers' compensation and employees health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

- B. Accrued Salaries and Benefits Payable - teachers and certain other instructional employees are budgeted and paid over a twelve month period from September 1 to August 31 but are earned over a school year of approximately a nine month period. The salaries earned but not paid at June 30 are shown as an accrued liability.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Notes to the Financial Statements
 June 30, 2015
 (continued)

C. Defined Benefit Pension Plan

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

General Information about the Pension Plan

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

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

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

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

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

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

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Notes to Financial Statements
 June 30, 2015
 (continued)

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.

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

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2015
Employer Contribution Rate ¹	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF ¹	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	3.80%	4.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	3.50%	4.00%
Total Employer Contribution Rate to the SCHDTF ¹	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 Cheyenne Wells School District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Cheyenne Wells School District were \$225,943 for the year ended June 30, 2015.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Notes to Financial Statements
 June 30, 2015
 (continued)

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

At June 30, 2015, the Cheyenne Wells School District reported a liability of \$164,852 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 Cheyenne Wells School District proportion of the net pension liability was based on Cheyenne Wells School District 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 Cheyenne Wells School District proportion was 0.0328262208 percent, which was an increase of 0.0022723218 percent from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the Cheyenne Wells School District recognized pension expense of \$72,712. At June 30, 2015, the Cheyenne Wells School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	-0-	332
Changes of assumptions or other inputs	-0-	-0-
Net difference between projected and actual earnings on pension plan investments	102,314	211,501
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-0-	-0-
Contributions subsequent to the measurement date	126,861	N/A
Total	229,175	211,833

\$126,861 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 June 30, 2016	(52,878)
2017 June 30, 2017	(52,878)
2018 June 30, 2018	(29,341)
2019 June 30, 2019	25,578
2020 June 30, 2020	-0-
Thereafter	-0-

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Notes to Financial Statements
June 30, 2015

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

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:

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

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Notes to Financial Statements
 June 30, 2015
 (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 investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	5,866,486	4,449,056	3,262,642

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.

D. Other Post-Employment Benefits

Health Care Trust Fund

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

Funding Policy – The Cheyenne Wells School District is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Cheyenne Wells School District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2015, 2014 and 2013, the Cheyenne Wells School District contributions to the HCTF were \$14,129, \$14,970 and \$14,849, respectively, equal to their required contributions for each year.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Notes to Financial Statements
 June 30, 2015
 (continued)

- E. Joint Venture - The District participates in the East Central Board of Cooperative Educational Services which is not reflected in these financial statements. One member of the board is from the District. The Board has final authority for all budgeting and financing of the joint venture.

Each member pays a \$2500 membership fee and then contributes additional monies in the relationship their student enrollment is to the total enrollment of all the members.

At June 30, 2014, total assets were \$2,797,263, total liabilities were \$685,956, net position was \$2,111,307 revenues were \$8,144,874, and expenses were \$8,174,493.

Complete financial statements may be obtained from BOCES office at 820 Second Street, Limon, CO 80828.

- F. Accrued Compensation/Compensated Absences

Salaries and related benefits of certain school-based personnel are paid over a twelve-month period beginning in September, but are earned during a school year of approximately nine months. The salaries and benefits earned, but unpaid, as of June 30, 2015 are:

General Fund	\$166,445
Food Service	<u>6,667</u>
Total	173,112

- G. The General Fund transferred \$25,000 and \$20,159, respectively, to the Student Activity Special Revenue Fund and Food Service, for general operating purposes.

REQUIRED SUPPLEMENTARY INFORMATION

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Budgetary Comparison Schedule - Major Funds
 For the Year Ended June 30, 2015

	<u>General Fund</u>			Variance With Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources	873,365	873,365	1,523,576	650,211
State Sources	1,323,065	1,323,065	1,366,437	43,372
Federal Sources	<u>51,187</u>	<u>51,187</u>	<u>43,848</u>	<u>(7,339)</u>
Total Revenues	2,247,617	2,247,617	2,933,861	686,245
EXPENDITURES				
Current				
Instruction	1,396,533	1,396,533	1,325,472	71,061
Supporting Services				
Pupils	73,638	73,638	71,271	2,367
Instructional Staff - Library	65,116	65,116	58,105	7,011
General Administration	196,989	196,989	195,965	1,024
School Administration	236,928	236,928	228,754	8,174
Operations & Maintenance	373,465	373,465	356,581	16,884
Pupil Transportation	212,867	212,867	168,357	44,509
Central Support	40,972	40,972	31,107	9,864
Debt Service	0	0	0	0
Capital Outlay	97,755	97,755	83,145	14,609
Appropriated reserves	<u>732,111</u>	<u>732,111</u>	<u>0</u>	<u>732,111</u>
Total Expenditures	<u>3,426,372</u>	<u>3,426,372</u>	<u>2,518,757</u>	<u>907,614</u>
Excess of revenues over (under) Expenditures	(1,178,755)	(1,178,755)	415,104	1,593,859
Other Financing Uses				
Operating Transfers In (Out)	(54,000)	(54,000)	(45,159)	8,841
SWAP	<u>(904)</u>	<u>(904)</u>	<u>0</u>	<u>904</u>
Excess of Revenues over (under) Expenditures & Other Uses	(1,233,659)	(1,233,659)	369,945	1,603,604
Fund Balance - Beginning	<u>1,233,659</u>	<u>1,233,659</u>	<u>1,233,659</u>	<u>(0)</u>
Fund Balance - Ending	<u>0</u>	<u>0</u>	<u>1,603,603</u>	<u>1,603,603</u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Schedule of District's Proportionate Share of the Net Pension Liability
 Last 10 Years

	<u>2014</u>	<u>2013</u>
Proportion (percentage) of the collective net pension liability	0.0328262208%	0.0350985426%
Proportionate share of the collective net pension liability	4,449,056	4,359,002
Covered payroll	1,374,547	1,455,824
Proportionate share of the net position liability as a percentage of its covered employee payroll	30.90%	33.40%
Plan fiduciary net position of the total pension liability	62.80%	64.06%

The amounts presented for each year were determined as of December 31.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Schedule of Contributions and Related Ratios
 Last 10 Fiscal Years

As of June 30,	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Statutorily required contributions	234,170	219,722	219,862	208,347	207,107	191,761
Contributions in relation to the statutorily required contribution	<u>234,170</u>	<u>219,722</u>	<u>219,862</u>	<u>208,347</u>	<u>207,107</u>	<u>191,761</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered-employee payroll	1,385,157	1,373,013	1,455,824	1,467,641	1,557,256	1,547,298
Contributions as a percentage of covered-employee payroll	16.91%	16.00%	15.10%	14.20%	13.30%	12.39%

Note - Payroll records prior to FYE 6/30/10 are not readily available

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OTHER INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Combining Balance Sheet
 NonMajor Governmental Funds
 June 30, 2015

ASSETS	<u>Food Service</u>	<u>Student Activity</u>	<u>Total</u>
Current Assets			
Cash	20,105	4,524	24,629
Accounts/Grants Receivable	801	0	801
Inventory	<u>7,381</u>	<u>0</u>	<u>7,381</u>
Total Current Assets	28,288	4,524	32,812
LIABILITIES AND FUND BALANCE			
Current Liabilities			
Accrued Salaries & Benefits	6,667	0	6,667
Accrued Sick Leave	<u>1,815</u>	<u>0</u>	<u>1,815</u>
Total Current Liabilities	8,482	0	8,482
Fund Balance			
Nonspendable	7,381	0	7,381
Assigned	<u>12,425</u>	<u>4,524</u>	<u>16,949</u>
Total Fund Balance	<u>19,806</u>	<u>4,524</u>	<u>24,330</u>
Total Liabilities and Fund Balance	<u>28,288</u>	<u>4,524</u>	<u>32,812</u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 NonMajor Governmental Funds
 For Year Ended June 30, 2015

REVENUES	Food Service	Student Activity	Total
Local	42,058	51,861	93,919
State	2,353	0	2,353
Federal	<u>62,129</u>	<u>0</u>	<u>62,129</u>
Total Revenues	106,540	51,861	158,401
EXPENDITURES			
Current			
Athletic	0	72,446	72,446
Food Service	<u>118,649</u>	<u>0</u>	<u>118,649</u>
Total Expenditures	<u>118,649</u>	<u>72,446</u>	<u>191,095</u>
Excess of Revenues over (under) Expenditures	(12,109)	(20,585)	(32,694)
Other Financing Sources			
Operating Transfers In	<u>20,159</u>	<u>25,000</u>	<u>45,159</u>
Excess of Revenues and Other Sources Over (under) Expenditures	8,050	4,415	12,465
Fund Balance - Beginning	0	108	108
Change in Accounting	<u>11,757</u>	<u>0</u>	<u>11,757</u>
Fund Balance - Ending	<u>19,806</u>	<u>4,524</u>	<u>24,330</u>

GENERAL FUND

The General Fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in another fund. It is the most significant fund in relation to the District's overall operation.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 General Fund
 Comparative Balance Sheet

ASSETS	<u>6/30/15</u>	<u>6/30/14</u>	<u>Change</u>
Cash In Bank	1,739,420	1,313,931	425,489
Certificates of Deposit	59,230	59,056	174
Accounts/Grants Receivable	0	0	0
Accrued Property Tax Receivable	<u>30,747</u>	<u>26,739</u>	<u>4,009</u>
Total Assets	<u>1,829,398</u>	<u>1,399,726</u>	<u>429,672</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	59,334	(4,940)	64,275
Due to Other Funds	15	15	0
Accrued Salaries and Benefits Payable	<u>166,445</u>	<u>170,993</u>	<u>(4,548)</u>
Total Liabilities	225,794	166,068	59,727
Fund Balance			
Restricted			
For TABOR	87,385	86,264	1,121
For Music	58,735	58,735	0
For Preschool	31,490	25,104	6,386
Unassigned	<u>1,425,994</u>	<u>1,063,556</u>	<u>362,438</u>
Total Fund Balance	<u>1,603,603</u>	<u>1,233,659</u>	<u>369,945</u>
Total Liabilities and Fund Balance	<u>1,829,398</u>	<u>1,399,726</u>	<u>429,672</u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2015

With Comparative Actual Amounts for the Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
REVENUES				
Local Sources				
Property Taxes	653,965	1,289,848	635,883	1,236,652
Specific Ownership Taxes	170,000	187,680	17,680	219,837
Investment Interest	4,200	6,347	2,147	5,355
Other	45,200	39,322	(5,878)	92,871
Sale of Assets	<u>0</u>	<u>378</u>	<u>378</u>	<u>0</u>
Total Local Sources	873,365	1,523,576	650,211	1,554,715
State Sources				
Equalization	1,182,466	1,210,819	28,352	1,172,220
Transportation	31,515	40,016	8,501	40,861
Vocational Education	30,000	35,732	5,732	41,064
BOCES Flowthrough	32,288	64,858	32,570	65,547
Other	<u>46,796</u>	<u>15,012</u>	<u>(31,783)</u>	<u>6,831</u>
Total State Sources	1,323,065	1,366,437	43,372	1,326,523
Federal Sources				
Grants	12,376	10,893	(1,483)	12,106
BOCES Flowthrough	<u>38,811</u>	<u>32,955</u>	<u>(5,856)</u>	<u>34,784</u>
Total Federal Sources	<u>51,187</u>	<u>43,848</u>	<u>(7,339)</u>	<u>46,890</u>
Total Revenues	2,247,617	2,933,861	686,245	2,928,127
 Expenditures	 <u>3,426,372</u>	 <u>2,518,757</u>	 <u>907,614</u>	 <u>2,405,976</u>
 Excess of Revenues over (under) Expenditures	 (1,178,755)	 415,104	 1,593,859	 522,151
 Other Financing Sources (Uses)				
Operating Transfers In (Out)	(54,000)	(45,159)	8,841	(48,500)
SWAP	<u>(904)</u>	<u>0</u>	<u>904</u>	<u>0</u>
 Excess of Revenues and Other Sources over (under) Expenditures & Other Uses	 (1,233,659)	 <u>369,945</u>	 <u>1,603,604</u>	 <u>473,651</u>
 Fund Balance - Beginning	 <u>1,233,659</u>	 <u>1,233,659</u>	 (0)	 <u>760,008</u>
 Fund Balance - Ending	 <u>0</u>	 <u>1,603,603</u>	 <u>1,603,603</u>	 <u>1,233,659</u>

See auditor's report and notes to the financial statements.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 General Fund
 Statement of Expenditures - Budget and Actual
 For the Year Ended June 30, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
INSTRUCTION				
Current				
Salaries	860,393	857,403	2,990	851,863
Employee Benefits	315,900	316,003	(104)	307,234
Purchased Services	152,281	122,146	30,136	122,864
Supplies and Material	67,958	29,919	38,039	30,849
Other	0	0	0	0
Capital Outlay	<u>34,030</u>	<u>23,886</u>	<u>10,144</u>	<u>26,124</u>
Total Instruction	1,430,562	1,349,358	81,205	1,338,935
 SUPPORTING SERVICES				
Pupil				
Current				
Salaries	54,163	53,889	274	50,094
Benefits	12,075	12,456	(381)	11,653
Purchased Services	2,650	967	1,683	2,197
Supplies and Material	4,750	3,959	791	1,304
Other	0	0	0	0
Capital Outlay	<u>400</u>	<u>65</u>	<u>335</u>	<u>0</u>
Total Pupil	74,038	71,336	2,702	65,248
 Instructional Staff Services				
Current				
Salaries	32,040	31,446	594	30,006
Employee Benefits	19,251	17,730	1,521	16,507
Purchased Services	8,975	3,024	5,951	225
Supplies and Material	4,850	5,904	(1,054)	3,787
Other	0	0	0	0
Capital Outlay	<u>500</u>	<u>649</u>	<u>(149)</u>	<u>0</u>
Total Instructional Staff	65,616	58,754	6,862	50,525

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 General Fund
 Statement of Expenditures - Budget and Actual
 For the Year Ended June 30, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014
 (continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
SUPPORTING SERVICES (continued)				
General Administration				
Current				
Salaries	90,000	91,807	(1,807)	87,753
Employee Benefits	37,489	40,113	(2,624)	42,237
Purchased Services	41,800	32,623	9,177	25,990
Supplies and Material	27,700	29,062	(1,362)	21,158
Other	0	2,360	(2,360)	2,247
Capital Outlay	<u>1,000</u>	<u>0</u>	<u>1,000</u>	<u>0</u>
Total General Administration	197,989	195,965	2,024	179,385
School Administration				
Current				
Salaries	165,584	165,880	(296)	164,064
Employee Benefits	62,744	56,463	6,281	53,311
Purchased Services	3,600	2,979	621	3,090
Supplies and Material	5,000	3,432	1,568	3,762
Other	0	0	0	0
Capital Outlay	<u>1,000</u>	<u>0</u>	<u>1,000</u>	<u>430</u>
Total School Administration	237,928	228,754	9,174	224,657
Operations and Maintenance				
Current				
Salaries	86,810	78,755	8,055	68,500
Employee Benefits	29,955	29,487	468	27,236
Purchased Services	101,700	107,356	(5,656)	95,522
Supplies and Material	155,000	140,983	14,018	147,756
Other	0	0	0	0
Capital Outlay	<u>30,825</u>	<u>4,175</u>	<u>26,650</u>	<u>2,256</u>
Total Operations & Maintenance	404,290	360,757	43,533	341,269

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 General Fund
 Statement of Expenditures - Budget and Actual
 For the Year Ended June 30, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014
 (continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	Actual Prior <u>Year</u>
SUPPORTING SERVICES (continued)				
Pupil Transportation				
Current				
Salaries	99,945	78,536	21,409	81,986
Employee Benefits	24,922	22,198	2,723	22,499
Purchased Services	25,500	20,556	4,944	17,834
Supplies and Material	62,500	47,067	15,433	59,509
Other	0	0	0	0
Capital Outlay	<u>30,000</u>	<u>54,370</u>	<u>(24,370)</u>	<u>0</u>
Total Transportation	242,867	222,727	20,139	181,827
Central Support Services				
Current				
Purchased Services	40,972	31,107	9,864	24,131
Supplies and Material	0	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Central Services	<u>40,972</u>	<u>31,107</u>	<u>9,864</u>	<u>24,131</u>
TOTAL SUPPORTING SERVICES	1,263,699	1,169,400	94,299	1,067,041
Appropriated Reserves	<u>732,111</u>	<u>0</u>	<u>732,111</u>	<u>0</u>
TOTAL EXPENDITURES	<u>3,426,372</u>	<u>2,518,757</u>	<u>907,614</u>	<u>2,405,976</u>



SPECIAL REVENUE FUNDS

Food Services Fund

To account for revenue and expenses associated with providing meals to students, staff, and visitors.

Student Activity Fund

To account for the revenues reported and the expenditures of each of the activities reported.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Food Services Special Revenue Fund
 Comparative Balance Sheet

	<u>6/30/15</u>	<u>6/30/14</u>	<u>Change</u>
ASSETS			
Current Assets			
Cash In Bank	20,105	12,940	7,166
Accounts/Grants Receivable	801	752	49
Inventory	<u>7,381</u>	<u>7,151</u>	<u>231</u>
Total Current Assets	<u>28,288</u>	<u>20,842</u>	<u>7,446</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accrued Salaries & Benefits Payable	6,667	6,596	71
Accrued Sick Leave	<u>1,815</u>	<u>2,490</u>	<u>(675)</u>
Total Liabilities	8,482	9,086	(604)
FUND BALANCE			
Nonspendable	7,381	7,151	231
Assigned	<u>12,425</u>	<u>4,606</u>	<u>7,819</u>
Total Fund Balance	<u>19,806</u>	<u>11,757</u>	<u>8,050</u>
Total Liabilities and Fund Balance	<u>28,288</u>	<u>20,842</u>	<u>7,446</u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Food Services Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
REVENUES				
Charges for Service				
Student Meals	57,000	33,593	(23,407)	31,059
Adult Meals	7,200	7,922	722	6,610
Other	0	543	543	672
State Grants	0	2,353	2,353	1,701
Federal Aid				
Breakfast & Lunch	40,800	54,574	13,774	48,943
Donated Commodities	<u>0</u>	<u>7,555</u>	<u>7,555</u>	<u>6,535</u>
Total Revenues	105,000	106,540	1,540	95,518
EXPENSES				
Salaries	55,000	49,545	5,455	49,117
Benefits	15,248	22,935	(7,687)	27,094
Food & Milk	54,521	35,352	19,169	35,652
Commodities	2,831	8,274	(5,444)	7,243
Purchased Services	4,400	209	4,191	900
Non-Food	<u>3,000</u>	<u>2,334</u>	<u>666</u>	<u>2,254</u>
Total Expenditures	<u>135,000</u>	<u>118,649</u>	<u>16,351</u>	<u>122,260</u>
Excess of Revenues over (under) Expenditures	(30,000)	(12,109)	17,891	(26,742)
Other Financing Sources				
Operating Transfers In	<u>30,000</u>	<u>20,159</u>	<u>(9,841)</u>	<u>25,000</u>
Excess of Revenues and Other Sources over (under) Expenditures	0	8,050	8,050	(1,742)
Fund Balance - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,498</u>
Change in Accounting	0 ₋	11,757 ₋	11,757 ₋	0 ₋
Fund Balance - Ending	<u>0</u>	<u>19,806</u>	<u>19,806</u>	<u>11,757</u>

See auditor's report and notes to the financial statements.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Student Activity Special Revenue Fund
Comparative Balance Sheet

	<u>6/30/15</u>	<u>6/30/14</u>	<u>Change</u>
ASSETS			
Cash	<u>4,524</u>	<u>108</u>	<u>4,415</u>
ASSIGNED FUND BALANCE	<u>4,524</u>	<u>108</u>	<u>4,415</u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Student Activity Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

REVENUE	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
Interest Income	1,000	0	(1,000)	0
Gates admission	54,000	51,861	(2,139)	29,670
Donations	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,000</u>
Total Revenue	55,000	51,861	(3,139)	33,670
EXPENDITURES				
Non Instructional				
Athletic purchased services	0	13,142	(13,142)	27,788
Athletic supplies	55,000	41,982	13,018	24,991
Travel	0	17,322	(17,322)	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,380</u>
Total Expenditures	<u>55,000</u>	<u>72,446</u>	<u>(17,446)</u>	<u>61,158</u>
Excess of Revenue over (under) Expenditures	0	(20,585)	(20,585)	(27,488)
Other Sources (Uses)				
Operating transfers In (Out)	<u>0</u>	<u>25,000</u>	<u>25,000</u>	<u>23,500</u>
Excess of Revenues & Other Sources over (under) Expenditures	0	4,415	4,415	(3,988)
Fund Balance - Beginning	<u>0</u>	<u>108</u>	<u>108</u>	<u>4,097</u>
Fund Balance - Ending	<u>0</u>	<u>4,524</u>	<u>4,524</u>	<u>108</u>



DEBT SERVICE FUND

Bond Redemption Fund

To account for payment of principal and interest on bonds issued November 6, 2001.
Financing is provided by a specific annual property tax levy.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Bond Redemption Debt Service Fund
 Comparative Balance Sheet

	<u>6/30/15</u>	<u>6/30/14</u>	<u>Change</u>
ASSETS			
Cash in Bank	933,923	933,697	226
Certificate of Deposit	275,000	275,000	0
Due from Other Funds	15	15	0
Accrued Property Taxes Receivable	<u>17,457</u>	<u>15,968</u>	<u>1,490</u>
TOTAL ASSETS	<u>1,226,395</u>	<u>1,224,680</u>	<u>1,716</u>
FUND BALANCE			
Restricted for Debt Service	<u>1,226,395</u>	<u>1,224,680</u>	<u>1,716</u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5

Cheyenne Wells, Colorado

Bond Redemption Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2015

With Comparative Actual Amounts for the Year Ended June 30, 2014

REVENUE	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
Property Taxes	717,725	732,366	14,641	738,589
Other Local	<u>10,000</u>	<u>0</u>	<u>(10,000)</u>	<u>0</u>
Total Revenue	<u>727,725</u>	<u>732,366</u>	<u>4,641</u>	<u>738,589</u>
 EXPENDITURES				
Debt Service				
Account Fee	0	0	0	0
Bond Interest	52,725	35,650	17,075	52,725
Bond Principal	<u>675,000</u>	<u>695,000</u>	<u>(20,000)</u>	<u>675,000</u>
Total Expenditures	<u>727,725</u>	<u>730,650</u>	<u>(2,925)</u>	<u>727,725</u>
Excess of Revenues over (under) Expenditures	0	1,716	1,716	10,864
Fund Balance - Beginning	<u>0</u>	<u>1,224,680</u>	<u>1,224,680</u>	<u>1,213,816</u>
Fund Balance - Ending	<u>0</u>	<u>1,226,395</u>	<u>1,226,395</u>	<u>1,224,680</u>



AGENCY FUND

Student Activity Fund

To act as custodian for the classes and activities of the District.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Student Activity Agency Fund
 Statement of Changes in Assets and Liabilities - Budget and Actual
 For the Year Ended June 30, 2015

	Balance			Balance
	<u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30</u>
Resale	203	6,405	6,380	228
Elementary	32	715	451	296
HS Student Council	829	241	790	280
Knowledge Bowl	172	0	0	172
FFA	2,527	14,259	11,476	5,310
Annual	5,806	1,025	647	6,184
Shop Resale	2,137	8,593	6,222	4,508
National Honor Society	3,213	2,613	1,924	3,902
Tigerettes	110	0	0	110
HS Cheerleaders	3,949	22,970	22,758	4,162
JH Cheerleaders	4,890	2,050	3,151	3,789
JH Student Council	122	85	0	207
Art Resale	1,267	0	65	1,202
Principal's Account	59	631	691	0
RIF Book Fairs	66	3,522	3,522	65
Music Scholarship	554	0	0	554
Science Club	2,832	7,866	8,145	2,554
FBLA	2,987	1,776	2,904	1,859
Library Fund	688	644	433	900
Music Resale	1	165	81	86
Football Field Reserve	0	6,000	691	5,309
Staff Benefit Fund	0	1,240	1,240	0
Drama	54	0	0	54
Preschool Child Fund	5,740	808	608	5,940
FFA Scholarship	651	0	0	651
Pre/Play Club	1,219	40	1,050	208
Petty Cash	148	0	0	148
Vo Ag Resale	349	0	0	349
Gymnastics Resale	3,252	0	785	2,467
Football Resale	991	7,033	7,875	149
Volleyball Resale	1,536	2,700	1,716	2,520
Boys BB Resale	1,801	6,559	1,805	6,555
Girls Golf Resale	1,483	1,127	1,808	803
Wrestling Resale	(252)	2,419	2,167	0
Track Resale	547	1,009	441	1,115
Girls BB Resale	1,270	5,740	3,893	3,117

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

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Student Activity Agency Fund
 Statement of Changes in Assets and Liabilities
 For the Year Ended June 30, 2015

	Balance			Balance
	<u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30</u>
Memory Mates	0	0	0	0
FFA District	842	0	44	798
Boys Golf Resale	800	2,000	140	2,660
Honors History	18	1,158	1,176	0
Concessions	5	0	0	5
Class of 2013	415	0	72	344
Class of 2014	9	0	0	9
Class of 2015	7,801	2,121	9,922	0
Class of 2016	9,046	167	751	8,462
Class of 2017	(12)	25,304	11,503	13,789
Class of 2018	<u>0</u>	<u>1,605</u>	<u>900</u>	<u>705</u>
Total	70,158	140,590	118,222	92,525
 Budget	 <u>0</u>	 <u>185,000</u>	 <u>185,000</u>	 <u>0</u>
 Variance - Favorable (Unfavorable)	 <u>70,158</u>	 <u>(44,410)</u>	 <u>66,778</u>	 <u>92,525</u>

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

AUDITOR'S INTEGRITY REPORT



Colorado Department of Education
Auditors Integrity Report
 District: 0520 - CHEYENNE COUNTY RE-5
 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	-	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental							
10 General Fund	1,233,659		2,888,702		2,518,757		1,603,603
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		0		0		0
Sub-Total	1,233,659		2,888,702		2,518,757		1,603,603
11 Charter School Fund	0		0		0		0
20,26-29 Special Revenue Fund	0		0		0		0
21 Food Service Spec Revenue Fund	11,757		126,699		118,649		19,806
22 Govt Designated-Purpose Grants Fund	0		0		0		0
23 Pupil Activity Special Revenue Fund	108		76,861		72,446		4,524
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	1,224,680		732,366		730,650		1,226,395
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	0		0		0		0
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	0		0		0		0
Totals	2,470,203		3,824,628		3,440,502		2,854,329
Proprietary							
50 Other Enterprise Funds	0		0		0		0
64 (63) Risk-Related Activity Fund	0		0		0		0
60,65-69 Other Internal Service Funds	0		0		0		0
Totals	0		0		0		0
Fiduciary							
70 Other Trust and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	0		0		0		0
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	70,158		140,590		118,222		92,525
79 GASB 34-Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	70,158		140,590		118,222		92,525

FINAL

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