

cPa DIXON, WALLER & CO., INC.

CREEDE SCHOOL DISTRICT

CREEDE, COLORADO

REPORT ON EXAMINATION

JUNE 30, 2011

DIXON, WALLER & CO., INC.

TABLE OF CONTENTS

CREEDE SCHOOL DISTRICT

REPORT ON EXAMINATION

June 30, 2011

	<u>Page</u>
Title Page	
Table of Contents	
Roster of Officials	
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report.....	1-2
Management's Discussion and Analysis	i-xi
BASIC FINANCIAL STATEMENTS:	
Government Wide Financial Statements:	
Statement of Net Assets.....	3
Statement of Activities	4
Fund Financial Statements:	
Balance Sheet – Governmental Funds	5
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Assets	6
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8

Fund Financial Statements (Continued):	<u>Page</u>
Statement of Net Assets – Proprietary Funds	9
Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Funds.....	10
Statement of Cash Flows – Proprietary Funds	11
Statement of Fiduciary Net Assets.....	12
Notes to Basic Financial Statements.....	13-30

REQUIRED SUPPLEMENTAL INFORMATION – BUDGETARY COMPARISONS:

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

General Fund	31-34
--------------------	-------

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES:

Combining Balance Sheet – Nonmajor Governmental Funds.....	35
------------------------------------------------------------	----

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	36
-------------------------------------------------------------------------------------------------------------------	----

**Schedules of Revenues, Expenditures and Changes in Fund Balances and Net Assets –
Budget (GAAP Basis) and Actual**

Capital Reserve – Special Revenue Fund.....	37
---------------------------------------------	----

Food Service – Proprietary Fund – Business Type Activities.....	38
-----------------------------------------------------------------	----

Student Activity – Agency Fund.....	39
-------------------------------------	----

STATE REQUIRED SCHEDULES

Auditor’s Integrity Report (Revenues, Expenditures, and Fund Balance by Fund)	40
-------------------------------------------------------------------------------------	----

Bolded Balance Sheet.....	41-42
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CREEDE SCHOOL DISTRICT
ROSTER OF SCHOOL OFFICIALS
June 30, 2011

BOARD OF EDUCATION

Jimmy Adelman	President
John Howard	Vice-President
Charles Downing	Secretary
Renee Stynchula	Treasurer
Mark Tiley	Member

SCHOOL OFFICIALS

Buck Stroh	Superintendent
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FINANCIAL SECTION

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

Board of Education
Creede School District
Creede, Colorado 81130

INDEPENDENT AUDITOR'S REPORT

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 Creede School District, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Creede School District's management. Our responsibility is to express an opinion 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Creede School District as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages i through xi and 31 through 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Creede School District's financial statements as a whole. The combining and individual fund financial statements and state required and other schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and state required and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Dixon, Waller & Co., Inc.

Dixon, Waller & Co., Inc.
Trinidad, CO 81082
October 31, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

Creede School District
Management Discussion & Analysis
For the Fiscal Year Ended June 30, 2011

The Creede School District utilizes a financial reporting model as required by the provisions of Governmental Accounting Standards Board (GASB).

Financial Highlights

Fiscal Year Ended June 30, 2010	Fiscal Year Ended June 30, 2011
<ul style="list-style-type: none"> • The District's assets totaled over \$2.52 million. Capital assets reached \$857.1 thousand following adjustment for accumulated depreciation. 	<ul style="list-style-type: none"> • The District's assets totaled over \$2.67 million. Capital assets totaled \$820.8 thousand following adjustment for accumulated depreciation.
<ul style="list-style-type: none"> • Excluding employee sick-day buybacks, the District is unencumbered by long-term liabilities. 	<ul style="list-style-type: none"> • Excluding employee sick-day buybacks, the District is unencumbered by long-term liabilities.
<ul style="list-style-type: none"> • Local Sources of Revenue, including property taxes received, accounted for approximately \$758.1 thousand or approximately 37 percent of all general fund revenues. Local Sources of Revenue received were \$36 thousand less than expected. State Equalization Entitlement continued to make up the majority of District revenues despite rescissions made by the state to all school districts during the fiscal year. 	<ul style="list-style-type: none"> • Local Sources of Revenue, including property taxes received, account for approximately \$775.5 thousand or approximately 44 percent of all general fund revenues. State Equalization Entitlement made up approximately 33 percent of general fund revenues. The remaining general fund revenues consisted of Federal Secure Rural Schools funds, specific ownership taxes, and investments.
<ul style="list-style-type: none"> • The District had \$1.91 million in expenses related to governmental activities. Total revenues were adequate to provide for these activities. 	<ul style="list-style-type: none"> • The District had \$1.72 million in expenses related to governmental activities. Total revenues were adequate to provide for these activities. However, it is worth noting that without the Secure Rural Schools monies, revenues would have been insufficient to meet expenses.
<ul style="list-style-type: none"> • Operating Grants and Contributions combined for a total of more than \$491.4 thousand. The increase is due to monies received by the Secure Rural Schools Act totaling \$281.3 thousand. This Act will terminate following the SY2011-2012. 	<ul style="list-style-type: none"> • Operating Grants and Contributions combined for a total of more than \$166.9 thousand.
<ul style="list-style-type: none"> • Food services are the exclusive business-type activity for the District. Revenue realized from charges and operating grants and contributions approximated \$33.2 thousand. Revenue in the food service fund from charges for services and operating grants and contributions was insufficient to cover expenses in the 2010 fiscal year. The District continues to subsidize this service. 	<ul style="list-style-type: none"> • Food services are the exclusive business-type activity for the District. Revenue realized from charges and operating grants and contributions approximated \$26.2 thousand. Revenue in the food service fund from charges for services and operating grants and contributions was insufficient to cover expenses in the 2011 fiscal year. The District continues to subsidize this service.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as instruction were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short-and long-term financial information about the activities the District operates like businesses, such as food service.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide data that are more detailed. The statements are followed by a section of required supplementary information that further explains and supports the financial statements, and includes a comparison to the District's budget for the year.

District-Wide Financial Statements

The district-wide financial statements are designed to provide a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Creede School District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Creede School District is improving or deteriorating. To assess the District's overall health, one needs to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued salaries).

Both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Included in governmental activities are most of the District's basic services such as regular and special education, transportation, and administration. The only services accounted for as business-type activities are the District's food services.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to track specific sources of funding and spending on particular programs. The Creede School District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the district-wide statements, additional information following governmental funds statements explains the relationship (or differences) between them.

Creede School District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the (1) general fund and (2) the capital reserve fund.

Proprietary funds: The Creede School District maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the district-wide financial statements. Creede School District uses enterprise funds to account for its food services.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the food services fund as it is the sole proprietary fund.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government, such as scholarship funds and student activity funds. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the District's own programs.

Notes to the Financial Statements

The notes provide additional information meaningful to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found in Figure A and on page 9 of this report.

Figure A Major Features of the District-Wide and Fund Financial Statements				
	<i>District-Wide Statements</i>	<i>Fund Financial Statements</i>		
		<i>Governmental Funds</i>	<i>Proprietary Funds</i>	<i>Fiduciary Funds</i>
<i>Scope</i>	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
<i>Required Financial Statements</i>	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of revenues, expenses, and changes in fund net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets
<i>Accounting Basis and Measurement Focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of Asset/Liability Information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
<i>Type of Inflow/Outflow Information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Financial Analysis

Table I provides a comparison summary of the District's net assets at June 30, 2010 with net assets at June 30, 2011.

Table I						
Condensed Statement of Net Assets (in thousands)						
	Governmental Activities		Business-type Activities		Total School District	
	SY 2010	SY 2011	SY 2010	SY 2011	SY 2010	SY 2011
Cash and Investments	1,883.9	1,958.6	33.7	21.7	1,917.7	1,980.3
Capital Assets, Net	857.0	871.0	0	3.1	857.0	874.1
Assets	2,741.0	2,829.7	33.7	24.9	2,774.8	2,854.6
Long-Term Debt Outstanding	9.8	9.8	0	0	9.8	9.8
Other Liabilities	240.4	165.9	0	0	240.4	165.9
Liabilities	250.3	175.7	0	0	250.3	175.7
Net assets						
Invested in Cap Assets, Net of Related Debt	857.0	820.8	0	0	857.0	820.8
TABOR Amendment Reserve	56.0	54.0	0	0	56.0	54.0
Preschool	6.1	12.2	0	0	6.1	12.2
Unrestricted	1,571.6	1,766.9	33.7	24.9	1,605.3	1,791.8
Net Assets at June 30	2,490.7	2,654.0	33.7	27.9	2,524.4	2,678.9

Note: totals may not equal sum due to rounding and adherence to auditor's financial statements

Table 2 provides a summary of the changes in net assets. Following Table 2 is a specific discussion related to overall revenues and expenses.

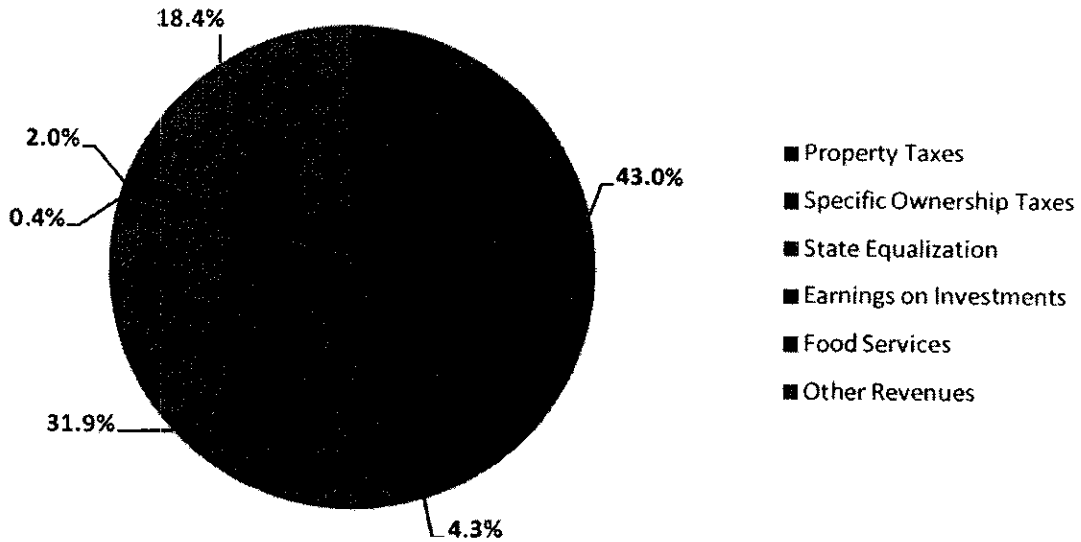
Net Assets from Operating Results (in thousands)						
	Governmental Activities		Business-Type Activities		Total School District	
	SY2010	SY2011	SY2010	SY2011	SY2010	SY2011
Net Revenues						
Taxes						
Property Taxes Levied for General Purpose	749.8	769.0			749.8	769.0
Specific Ownership Taxes	78.8	76.2			78.8	76.2
State Equalization	790.5	571.8			790.5	571.8
Earnings on Investments	7.8	6.5			7.8	6.5
Food Services			70.0	36.6	70.0	36.6
Other Revenues	19.9	330.2			19.9	330.2
Transfers	(70.0)	(36.6)			(70.0)	(36.6)
Total General Revenues and Transfers	1,576.8	1,717.1	70.0	36.6	1,646.8	1,753.7
Net Expenses						
Instructional Program	727.0	949.1			727.0	949.1
Support Services:						
Student	42.1	33.9			42.1	33.9
Instructional Staff	32.7	36.0			32.7	36.0
District Administration	162.7	148.9			162.7	148.9
School Administration	33.2	38.7			33.2	38.7
Business Support	29.2	35.1			29.2	35.1
Operations and Maintenance of Plant	185.2	160.5			185.2	160.5
Student Transportation	47.5	33.2			47.5	33.2
Central	93.6	103.6			93.6	103.6
Facilities Acquisition & Construction	65.5				65.5	
Community Services		14.8				14.8
Food Service Operations			45.2	45.5	45.2	45.5
Total Expenses	1,418.7	1,553.8	45.2	45.5	1,463.9	1,599.3
Increase (Decrease) in Net Assets	158.1	163.3	24.8	(8.9)	182.9	154.4
Net Assets Ending Balance	2,490.7	2,654.0	33.8	24.9	2,524.4	2,678.8

Property taxes and per pupil state formula revenue (state equalization) account for most of the District's revenue, contributing about 43 cents and 32 cents respectively for every dollar raised (see Table 3). Another 18 cents came from Other Revenues that included grants and contributions. The remaining revenues are from fees charged for services and miscellaneous sources. As of the date of this report, it is uncertain if Congress will reauthorize the Secure Rural Schools Act that was the main source of Operating Grants. The Secure Rural Schools grant totaled \$281,314 for 2011.

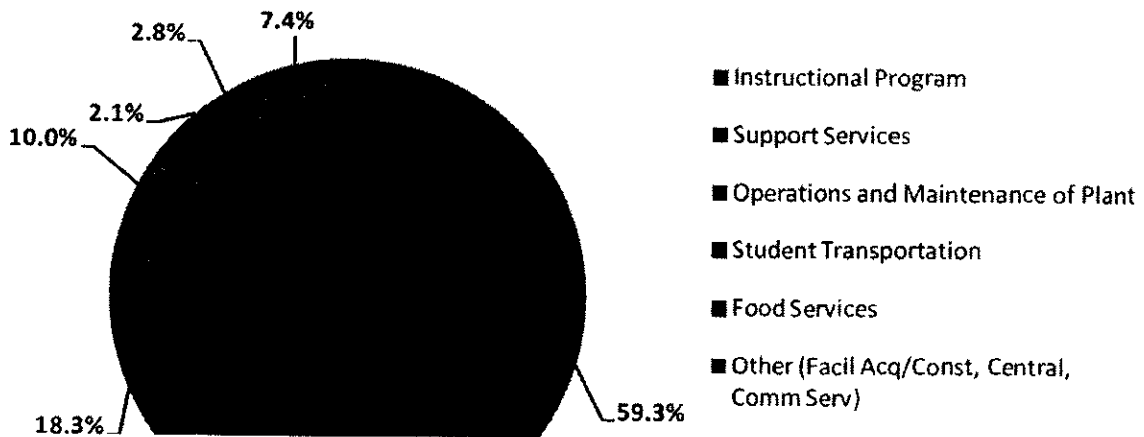
The District expenses predominantly relate to instruction and support services, which includes support for students and instructional staff, administration, operations, and maintenance. Given that Creede School District is a service organization providing education services to students, the majority of expenses are paid in the form of compensation (salaries and benefits) to the District's employees.

Detailed below in Tables 3 and 4 are charts displaying revenues by source and expenses by program for the total school district.

**Table 3
Sources of Revenue
Fiscal Year 2011**



**Table 4
Expenses
Fiscal Year 2011**



Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the District received \$12,554.52 per funded student, down from \$13,481.97 the previous year. In fiscal year 2010-11, the averaged funded pupil count was 103.7 – based on a five-year average. Funding for the school finance act comes from property taxes, specific ownership taxes, and state equalization. The District receives approximately 32 percent of this funding from state equalization while the remaining amounts come from property taxes and specific ownership tax.

The statement of activities provides the cost of program services and the related charges for services and grants offsetting those costs. Table 5 reflects each program's net cost (total cost less fees generated by the programs and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these programs.

	Total Cost of Services		Net Cost of Services	
	SY 2010	SY 2011	SY 2010	SY 2011
Instructional Program	1,191.9	1,087.9	727.0	949.1
Students	42.1	33.9	42.1	33.9
Instructional Supporting Services	32.7	36.0	32.7	36.0
General Administration	162.7	148.9	162.7	148.9
School Administration	33.1	38.7	33.1	38.7
Business Supporting Services	29.2	35.1	29.2	35.1
Operations and Maintenance	185.2	160.5	185.2	160.5
Student Transportation	77.9	61.3	47.5	33.2
Central Support Services	93.6	103.6	93.6	103.6
Facilities Acquisition / Construction	65.5		65.5	
Community Services		14.8		14.8
Total	1,914.2	1,720.8	1,418.7	1,553.9

Note: totals may not add due to rounding and adherence to auditor's financial statements

- The net cost of all governmental activities this year was \$1,553.90.
- Federal and State governments subsidized certain programs with grants and contributions amounting to \$185,340 for Year Ended June 30, 2011, compared to \$509,627 for Year Ended June 30, 2010. The large difference is due to the SRS monies being moved to 'Other Revenues' by the District's new auditors.
- Most of the District's costs (\$1,720.8 thousand), however, were financed by District and State taxpayers.
- This portion of governmental activities was financed with \$769.0 thousand in property taxes, \$571.8 thousand in state aid (equalization) based on the statewide formula for per pupil funding, and \$6.5 thousand in investment earnings and other miscellaneous revenues not pertaining specifically to a program. By comparison, for Year Ended June 30, 2010, governmental activities were financed with \$749.8 thousand in property taxes, \$790.5 thousand in state aid and \$7.7 thousand in investment earnings and other miscellaneous revenues not pertaining specifically to a program.

Business-type Activities

For Year Ended June 30, 2010, Business-type activities decreased the District's net assets by \$8.8 thousand. The previous year's Business-type activities increased the District's net assets by \$8.9 thousand. Business-type activities receive no support from tax revenue.

Financial Analysis of the District's Funds

District's funds are accounted for using the modified accrual basis of accounting. All governmental funds, for the Year Ended June 30, 2011, had total revenues of \$1,911.4 thousand and expenditures of \$1,684.7 thousand. By comparison, for the Year Ended June 30, 2010, governmental funds had total revenues of \$2,142.3 thousand and expenditures of \$1,922.8 thousand.

General Fund Budgetary Highlights

The District approves a budget in June based on enrollment projections for the upcoming school year.

The fund balance as of June 30, 2011 (budgetary basis) was \$1,592.3 thousand, compared to \$1,419.1 thousand as of June 30, 2010. The budgetary basis differs from Generally Accepted Accounting Principles (GAAP) in the treatment of accrued salaries, benefits, and related liabilities. According to state statutes, the accrued salaries and related benefits do not need to be "funded" and, therefore, are not subtracted from budgetary basis fund balance.

Total local sources of revenue exceeded budget expectations by \$36,313, although state sources were \$62,721 less than anticipated. A significant portion of revenue is the grant money received from the Secure Rural Schools.

Cost saving measures throughout most expenditure categories allowed the District to decrease budgeted expenditures by \$195,804.

Capital Assets

At the end of fiscal year 2011, the District had \$2,976.5 thousand in a broad range of capital assets, including land, buildings, site improvements, vehicles, and other equipment.

Long-Term Debt

At year-end, the District had no long-term debt.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could affect its financial health in the future.

- Information from the 2010-2011 student enrollment "October count" shows that the Creede School District had 10.2 fewer averaged funded pupil count FTE's (Full-Time Equivalent) than the prior year. However, since the state mandated student October count date, the District has seen a 3.5% increase in enrollment. This was also the first time in several years that the District saw an increase in count over the prior end-of-the-year enrollment. An improvement in local economic conditions is attributed to the increase.
- State Rescission: Once again, the state rescinded revenue to all school districts as a 'State Budget Stabilization Factor.' The Creede School District saw an additional decrease exceeding 10% in revenues because of state budget cuts for the year. Creede, along with other districts in the state, has been forced to cut programs, staff, wages, benefits, and closed buildings to adjust for the state's rescissions. The governor has already indicated the state will impose further rescissions to public education in 2012-13.
- Secure Rural Schools Act: The Secure Rural Schools and Community Self-Determination Act (SRS) provides funding to districts to offset some of the loss of timber revenues in counties with national forests. First authorized in 2000, the Secure Rural Schools Act was an attempt to help counties and schools adjust to dramatic decreases in funding resulting from restrictions on timbering in National Forests located in their jurisdictions. The Act was renewed in 2008. About \$419 million in SRS funding was allocated in 2010 to 729 rural counties, parishes, and boroughs in 41 states. The federal legislation that provides the funding is set to expire in 2011. Whether or not it will be renewed is uncertain. Creede School District received \$281,314 from the Act during SY2010-11. Without Congress's reauthorization of the Secure Rural Schools Act this year, Creede Schools will lose approximately 20% of its total revenue source.
- As of November 15, students attending Creede Schools from outside the District accounted for 36% of the total enrollment. This is up 5% from the previous year. Lamb Elementary had 38% of its enrollment from outside the District and Creede Middle and Senior High Schools had 33%.
- The District has thirteen full-time teachers. Last year, the District had two part-time and seventeen full-time teachers. It employees one full-time administrator, one part-time administrator, six full time support staff, one part-time support staff, and one special needs driver. The average teacher's salary in the District decreased to \$38,082 compared to the state average of \$48,487¹ and a national average of \$48,638². Faculty and staff received no increase in wages for the year. In addition, faculty and staff benefits were decreased or eliminated.

¹ *Rankings of the States 2009 and Estimates of School Statistics 2010*, p. 19, <<http://www.nea.org/assets/docs/010rankings.pdf>>, accessed on October 21, 2010.

² *Ibid.*

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent, Creede School District, PO Box 429, Creede, Colorado 81130.

BASIC FINANCIAL STATEMENTS

CREEDE SCHOOL DISTRICT
STATEMENT OF NET ASSETS
June 30, 2011

	Governmental Activities	Business Type Activities	Total
<u>ASSETS</u>			
Cash and Investments	1,958,652	21,745	1,980,397
Accounts Receivable	-	-	-
Receivables – Other	-	-	-
Accrued Revenue	-	-	-
Property Taxes Receivable	50,260	-	50,260
Inventories	-	3,160	3,160
Capital Assets	2,947,917	28,616	2,976,533
Accumulated Depreciation	(2,127,069)	(28,616)	(2,155,685)
<u>Total Assets</u>	<u>2,829,760</u>	<u>24,905</u>	<u>2,854,665</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	11,626	-	11,626
Accrued Salaries	154,308	-	154,308
Compensated Absences	9,820	-	9,820
Deferred Revenue	-	-	-
<u>Total Liabilities</u>	<u>175,754</u>	<u>-</u>	<u>175,754</u>
 <u>NET ASSETS</u>			
Invested in Capital Assets	820,848	-	820,848
Restricted for:			
TABOR Reserve	54,000	-	54,000
Preschool	12,232	-	12,232
Unrestricted	1,766,926	24,905	1,791,831
<u>TOTAL NET ASSETS</u>	<u>2,654,006</u>	<u>24,905</u>	<u>2,678,911</u>

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

CREEDE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2011

	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
<u>FUNCTIONS/PROGRAMS</u>						
Instructional Services	1,087,995	138,860	-	(949,135)	-	(949,135)
Supporting Services:						
Students	33,920	-	-	(33,920)	-	(33,920)
Instructional Staff	36,055	-	-	(36,055)	-	(36,055)
District Administration	148,879	-	-	(148,879)	-	(148,879)
School Administration	38,700	-	-	(38,700)	-	(38,700)
Business Support	35,135	-	-	(35,135)	-	(35,135)
Operation & Maintenance of Facilities	160,541	-	41,619	(160,541)	-	(160,541)
Transportation	61,306	28,068	-	(33,238)	-	(33,238)
Central	103,563	-	-	(103,563)	-	(103,563)
Community Services	14,799	-	-	(14,799)	-	(14,799)
Capital Outlay	-	-	-	-	-	-
<u>Total Governmental Activities</u>	<u>1,720,893</u>	<u>166,928</u>	<u>41,619</u>	<u>(1,553,965)</u>	<u>-</u>	<u>(1,553,965)</u>
<u>Business Type Activities:</u>						
Food Services	90,158	18,412	-	-	(45,463)	(45,463)
<u>Total School District</u>	<u>1,811,051</u>	<u>185,340</u>	<u>41,619</u>	<u>(1,553,965)</u>	<u>(45,463)</u>	<u>(1,599,428)</u>
<u>General Revenues</u>						
Property Taxes Levied for General Purposes				769,043	-	769,043
Specific Ownership Taxes				76,221	-	76,221
Equalization				571,844	-	571,844
Earnings on Investments				6,549	-	6,549
Other Revenues				330,220	-	330,220
Transfers				(36,612)	36,612	-
<u>Total General Revenues & Transfers</u>				<u>1,717,265</u>	<u>36,612</u>	<u>1,753,877</u>
<u>Change in Net Assets</u>				163,300	(8,851)	154,449
<u>Net Assets, Beginning</u>				2,490,706	33,756	2,524,462
<u>Net Assets, Ending</u>				<u>2,654,006</u>	<u>24,905</u>	<u>2,678,911</u>

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

CREEDE SCHOOL DISTRICT
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 June 30, 2011

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and Investments	1,958,652	-	1,958,652
Accounts Receivable	-	-	-
Accrued Revenue	-	-	-
Due from Other Funds	-	-	-
Property Taxes Receivable	50,260	-	50,260
Receivables – Other	-	-	-
<u>Total Assets</u>	<u>2,008,912</u>	<u>-</u>	<u>2,008,912</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities:</u>			
Accounts Payable	11,626	-	11,626
Accrued Salaries	154,308	-	154,308
Due to Other Funds	-	-	-
Other Payables	-	-	-
Deferred Revenue:			
Local Sources	-	-	-
Property Taxes	9,400	-	9,400
Other Governments	-	-	-
<u>Total Liabilities</u>	<u>175,334</u>	<u>-</u>	<u>175,334</u>
 <u>Fund Balances:</u>			
Reserved for:			
Emergencies	54,000	-	54,000
Preschool	12,232	-	12,232
Assigned for:			
Capital Outlay	-	-	-
Unassigned	<u>1,767,346</u>	<u>-</u>	<u>1,767,246</u>
<u>Total Fund Balances</u>	<u>1,833,578</u>	<u>-</u>	<u>1,833,578</u>
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>	 <u>2,008,912</u>	 <u>-</u>	 <u>2,008,912</u>

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

CREEDE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
June 30, 2011

Amounts reported for governmental activities in the statement of net assets are different because:

<u>Total Fund Balance – Governmental Funds</u>	1,833,578
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$2,947,917 and the accumulated depreciation is \$2,127,069.	820,848
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” All of the deferred property tax revenue is not available.	9,400
Compensated absences are not reported as a liability in the funds.	<u>(9,820)</u>
<u>TOTAL NET ASSETS – GOVERNMENTAL ACTIVITIES</u>	<u>2,654,006</u>

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

CREEDE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2011

	General Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>			
Property Taxes	759,643	-	759,643
Specific Ownership Taxes	76,221	-	76,221
Earnings on Investments	6,549	-	6,549
Other Local Sources	330,220	-	330,220
State Aid	614,832	-	614,832
Federal Aid	123,940	-	123,940
<u>Total Revenues</u>	<u>1,911,405</u>	<u>-</u>	<u>1,911,405</u>
<u>EXPENDITURES</u>			
Current:			
Instructional Services	1,060,184	-	1,060,184
Supporting Services:			
Students	33,920	-	33,920
Instructional Staff	31,655	-	31,655
District Administration	147,276	-	147,276
School Administration	38,700	-	38,700
Business	35,135	-	35,135
Operation & Maintenance of Facilities	159,371	-	159,371
Transportation	46,283	-	46,283
Central	101,085	-	101,085
Community Services	31,108	-	31,108
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Capital Outlay			
<u>Total Expenditures</u>	<u>1,684,717</u>	<u>-</u>	<u>1,684,717</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>			
	<u>226,688</u>	<u>-</u>	<u>226,688</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	(36,612)	-	(36,612)
<u>Total Other Financing Sources (Uses)</u>	<u>(36,612)</u>	<u>-</u>	<u>(36,612)</u>
<u>NET CHANGE IN FUND BALANCES</u>			
	190,076	-	190,076
<u>FUND BALANCES – Beginning</u>			
	1,592,323	51,179	1,643,502
<u>PRIOR PERIOD ADJUSTMENT</u>			
	51,179	(51,179)	-
<u>FUND BALANCES – Ending</u>			
	<u>1,833,578</u>	<u>-</u>	<u>1,833,578</u>

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

CREEDE SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For The Year Ended June 30, 2011

Amounts reported for governmental activities in the statement of activities are different because:

<u>Net Change in Fund Balances – Total Governmental Funds</u>	190,076
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more the \$5,000 are capitalized and the cost is allocated over their estimated used lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>	
Capital Outlays more than \$5,000	16,309
Depreciation Expense	<u>(52,547)</u>
	(36,238)
<p>Property tax revenues received prior to the year for which the are being levied or are not “available” at year end are reported as deferred revenue in the governmental funds. They are, however, recorded as revenue in the statement of activities. Deferred property tax revenues increased this year.</p>	
	9,400
<p>In the statement of activities compensated absences are measured by the amounts earned During the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences decreased by this amount.</p>	
	<u>62</u>
<u>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</u>	<u>163,300</u>

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

CREEDE SCHOOL DISTRICT
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 June 30, 2011

	<u>Business – Type Activities</u> Food Services Fund
<u>ASSETS</u>	
Current Assets:	
Cash and Investments	21,745
Due from Other Funds	-
Accounts Receivable	-
Inventories	<u>3,160</u>
<u>Total Current Assets</u>	<u>24,905</u>
Capital Assets:	
Equipment	28,616
Less Accumulated Depreciation	(28,616)
<u>Total Capital Assets, Net of Accumulated Depreciation</u>	<u>-</u>
<u>Total Assets</u>	<u>24,905</u>
 <u>LIABILITIES AND NET ASSETS</u>	
Current Liabilities:	
Accounts Payable	-
Accrued Salaries	-
Other Accrued Liabilities	<u>-</u>
<u>Total Current Liabilities</u>	<u>-</u>
Net Assets:	
Invested in Capital Assets	-
Unrestricted	<u>24,905</u>
<u>Total Net Assets</u>	<u>24,905</u>

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

CREEDE SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 For The Year Ended June 30, 2011

	<u>Business – Type Activities</u>
	<u>Food Services</u>
	<u>Fund</u>
<u>OPERATING REVENUES:</u>	
Charges for Services:	
Food Sales	26,196
Other	87
<u>Total Operating Revenues</u>	<u>26,283</u>
<u>OPERATING EXPENSES:</u>	
Salaries	39,233
Employee Benefits	17,194
Purchased Services – Professional	67
Purchased Services – Property	-
Purchased Services - Other	534
Supplies and Materials	29,282
Capital Outlay	526
Other	931
Commodities	2,391
Depreciation	-
<u>Total Operating Expenses</u>	<u>90,158</u>
<u>INCOME (LOSS) FROM OPERATIONS</u>	<u>(63,875)</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>	
Federal Aid:	
School Lunches	14,272
School Breakfast	-
Commodities	3,555
Interest Earned	-
State Aid:	
School Lunches	585
Grants	-
<u>Total Non-Operating Revenues (Expenses)</u>	<u>18,412</u>
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>(45,463)</u>
<u>OPERATING TRANSFERS FROM GENERAL FUND</u>	<u>36,612</u>
<u>CHANGE IN NET ASSETS</u>	<u>(8,851)</u>
<u>NET ASSETS, Beginning</u>	<u>33,756</u>
<u>NET ASSETS, Ending</u>	<u>24,905</u>

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

CREEDE SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended June 30, 2011

	Business – Type Activities Food Services Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from Customers	26,283
Payments to Employees	(56,427)
Payments to Vendors	(31,160)
<u>Net Cash Provided by (Used for) Operating Activities</u>	<u>(61,304)</u>
<u>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:</u>	
Federal Aid – School Lunch & Breakfast	14,272
State Aid – School Lunch & Breakfast	585
Transfer from Other Funds	<u>36,612</u>
<u>Net Cash Provided by Non-capital Financing Activities</u>	<u>51,469</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Purchase of Fixed Assets	-
Grants	-
<u>Net Cash Provided by (Used for) in Capital and Related Financing Activities</u>	<u>-</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest Earnings	-
<u>Net Cash from Investing Activities</u>	<u>-</u>
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	<u>(9,835)</u>
<u>CASH AND CASH EQUIVALENTS, Beginning of Year</u>	<u>31,580</u>
<u>CASH AND CASH EQUIVALENTS, End of Year</u>	<u>21,745</u>
<u>RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Operating Income (Loss)	(63,875)
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>	
Depreciation	-
Commodities	2,391
(Increase) Decrease in Paid Inventory	180
(Increase) Decrease in Customer Accounts Receivable	-
Increase (Decrease) in Accounts Payable	-
Increase (Decrease) in Accrued Salaries Payable	-
Increase (Decrease) in Compensated Absences	-
Increase (Decrease) in Due to Others	-
<u>Net Cash Provided by (Used for) Operating Activities</u>	<u>(61,304)</u>
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>	
Donated Commodities Acquired from USDA	3,555
Donated Commodities Used	<u>(2,391)</u>
<u>Total Noncash Investing, Capital, and Financing Activities</u>	<u>1,164</u>

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

CREEDE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
PUPIL ACTIVITY TRUST AND AGENCY FUND
June 30, 2011

	<u>Pupil Activity Fund</u>
<u>ASSETS</u>	
Cash and Investments	28,760
Due from Other Funds	-
<u>Total Assets</u>	<u>28,760</u>
<u>LIABILITIES</u>	
Accounts Payable	-
Deposits Held for Others	28,760
<u>Total Liabilities</u>	<u>28,760</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Creede School District (District) conform with generally accepted accounting principles (GAAP) 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. The more significant of the District's accounting policies are described below.

The District operates under an elected Board of Education with five members.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Creede School District. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A. Reporting Entity

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

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

B. GASB Statement No. 20

Under GASB Statement No. 20 "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting", all proprietary funds continue to follow Financial Accounting Standards Board (FASB) standards issued on or before November 30, 1989. However, from that date forward, proprietary funds have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements (unless they conflict with GASB guidance). The District has chosen not to apply future FASB standards for its proprietary fund.

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General Fund) and individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

E. Fund Accounting

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

- Major Governmental Funds
 1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
- Major Proprietary Funds – Business –Type Activities

Enterprise Funds – used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Investments

The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, and U.S. Treasury Obligations. All other securities are recorded at fair value. For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

G. Receivables

Property taxes levied in 2010 but uncollected in 2011 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2011 are recorded as deferred revenue, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

H. Inventories

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

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

I. Capital Assets

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

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

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net assets. The District records long-term debt of governmental funds at the face value. General Obligation Bonds are serviced from property taxes and other revenues of the Debt Service Fund. Capital leases are serviced from property taxes and other revenues of the General Fund. The long-term accumulated unpaid accrued sick leave is serviced from property taxes and other revenues by the respective fund type from future appropriations.

K. Constitutional Amendment

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

On November 6, 2001 voters approved a ballot question which stated that the District is authorized to collect, retain and expend all revenues including grants and other funds collected during 2000-01 budget year and each subsequent year from any source, notwithstanding the limitations of Article x, Section 20 of the Colorado constitution, provided, however, that no property tax mill levy be increased at any time nor shall any new tax be imposed without the prior approval of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2011, the District reserved \$54,000 for this purpose.

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

CREEDE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2010 property tax calendar for Las Animas County was as follows:

Levy Date	December 15, 2010
Lien Date	January 1, 2011
Tax Bills Mailed	January 1, 2011
First Installment Due	February 28, 2011
Second Installment Due	June 15, 2011
If Paid in Full, Due	April 30, 2011
Tax Sale – 2009 Delinquent Property Taxes	December 1, 2010

M. Accumulated Sick Leave

Compensated absences are made up of accumulated sick leave reported as non-current liabilities in the government-wide financial statements. As of June 30, 2011, the District has recorded an estimated liability of \$9,820 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
Accumulated Sick Leave	<u>9,882</u>	<u>—</u>	<u>62</u>	<u>9,820</u>

N. Use of Estimates

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. GASB Statement No. 54

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

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

CREEDE SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. GASB Statement No. 54 (Continued)

Order of Fund Balance Spending Policy

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

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

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>		
Inventories	-	-
Prepaid Expenses	-	-
Scholarships	-	-
<u>Restricted:</u>		
Emergencies	54,000	54,000
Preschool	12,232	12,232
Debt Service Reserve	-	-
Multi Year Obligations	-	-
Capital Projects	-	-
<u>Committed:</u>		
Capital Outlay	-	-
Insurance	-	-
<u>Assigned:</u>		
Debt Service	-	-
Scholarships	-	-
Pupil Activities	-	-
Rental Properties	-	-
Day Care	-	-
<u>Unassigned</u>	<u>1,767,346</u>	<u>1,767,346</u>
 <u>Total Fund Balances</u>	 <u>1,833,578</u>	 <u>1,833,578</u>

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

There were no elimination items for the fiscal year ended 6-30-2011.

NOTE 3 BUDGETARY INFORMATION

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

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

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

CREEDE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2011

NOTE 3 BUDGETARY INFORMATION (continued)

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

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

NOTE 4 CASH AND INVESTMENTS

Deposits

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

At June 30, 2011, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	318,105	318,105
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	757,093	790,888
Cash with County Treasurer	<u>55,722</u>	<u>-</u>
<u>Total Cash and Deposits</u>	<u>1,130,920</u>	<u>1,108,993</u>

As presented above, deposits with a bank balance of \$790,888 and a carrying balance of \$757,093 as of June 30, 2011 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 4 CASH AND INVESTMENTS

Investments

The types of investment which are authorized to be made with District funds are controlled by state statute and the investment policies of the District. Colorado statutes and the District's investment policies specify investment instruments meeting defined rating and risk criteria in which the District may invest:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks

Credit Risk

The District's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The District's investment policy allows for the District to invest in local government investment pools. As of June 30, 2011, the local government investment pool (COLOTRUST) in which the District had invested, were rated AAA by Standard & Poor's.

Interest Rate Risk

Colorado Revised Statutes and the District's investment policy limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates.

The Colorado Government Liquid Asset Trust (COLOTRUST), is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investment owned by the pool. Investments of the pool consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes.

CREEDE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2011

NOTE 4 CASH AND INVESTMENTS (continued)

<u>Investment Type</u>	<u>Percent of Total</u>	<u>Fair Value</u>	<u>Up to 120 Days</u>	<u>121 Days To 5 Years</u>	<u>More Than 5 Years</u>
FHLB Bond	62.9	34,683	-	34,683	-
FNMA NTS	36.4	20,034	-	20,034	-
Accrued Interest					
On Above Securities	<u>.7</u>	<u>396</u>	<u>-</u>	<u>396</u>	<u>-</u>
SubTotal	<u>100 %</u>	<u>55,113</u>			
COLOTRUST		<u>823,124</u>	41 Day Avg.		
Total Investments		<u>878,237</u>			

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
<u>Capital Assets Not Being Depreciated</u>				
Land	<u>366,838</u>	<u>-</u>	<u>-</u>	<u>366,838</u>
<u>Capital Assets Being Depreciated:</u>				
Building & Site Improvements	2,346,546	16,309	-	2,362,855
Equipment	39,001	-	-	39,001
Vehicles	<u>179,223</u>	<u>-</u>	<u>-</u>	<u>179,223</u>
<u>Total Capital Assets Being Depreciated</u>	<u>2,564,770</u>	<u>16,309</u>	<u>-</u>	<u>2,581,079</u>
<u>Less Accumulated Depreciation for:</u>				
Building & Site Improvements	1,962,497	30,429	-	1,992,926
Equipment	14,437	7,095	-	21,532
Vehicles	<u>97,588</u>	<u>15,023</u>	<u>-</u>	<u>112,611</u>
<u>Total Accumulated Depreciation</u>	<u>2,074,522</u>	<u>52,547</u>	<u>-</u>	<u>2,127,069</u>
<u>Total Capital Assets Being Depreciated, Net</u>	<u>490,248</u>	<u>(36,238)</u>	<u>-</u>	<u>454,010</u>
<u>Governmental Activities Capital Assets, Net</u>	<u>857,086</u>	<u>(36,238)</u>	<u>-</u>	<u>820,848</u>
<u>Business -Type Activities</u>				
<u>Capital Assets Being Depreciated:</u>				
Equipment	<u>28,616</u>	<u>-</u>	<u>-</u>	<u>28,616</u>
<u>Total Capital Assets Being Depreciated</u>	<u>28,616</u>	<u>-</u>	<u>-</u>	<u>28,616</u>
<u>Less Accumulated Depreciation for:</u>				
Equipment	<u>28,616</u>	<u>-</u>	<u>-</u>	<u>28,616</u>
<u>Total Accumulated Depreciation</u>	<u>28,616</u>	<u>-</u>	<u>-</u>	<u>28,616</u>
<u>Business-Type Activities, Net</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

CREEDE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2011

NOTE 5 CAPITAL ASSETS (Continued)

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

<u>Governmental Activities:</u>	
Instructional Programs	27,873
Instructional Support	4,400
General Administration Support	1,603
Operations and Maintenance	1,170
Student Transportation Services	15,023
Central Support	<u>2,478</u>
<u>Total Depreciation Expense – Governmental Activities</u>	<u>52,547</u>
 <u>Business - Type Activities:</u>	
Food Services	<u> -</u>
<u>Total Depreciation Expense – Business Type Activities</u>	<u> -</u>

NOTE 6 PENSION PLAN

The District contributes to the Public Employees' Retirement Association of Colorado (PERA), a cost-sharing multiple-employer defined benefit pension plan. PERA provides retirement and disability benefits and survivor benefits to eligible beneficiaries annually adjusted for cost-of-living-increases. Colorado revised Statutes (Title 24, Article 51) provides authority for the operation of the plan. The plan is administered by a 16 member Board of Trustees of which 14 are elected by the membership. PERA issues a publicly available financial report that includes financial statements and required supplementary information for PERA.

That report may be obtained by contacting PERA, 1300 Logan Street, Denver, Colorado, 80203.

Funding Policy

Plan members are required to contribute 8% of their annual covered salary and the District is required to contribute at a stipulated rate. That rate was 13.85% from July 1, 2010 to December 31, 2010 and 14.75% thereafter. An additional portion of the District's contribution (1.02% of covered salary) is allocated for the Health Care Fund (See note 7). Requirements for contribution percentage are established and may be changed by the PERA Board of Trustees. The District's contributions for the latest three years were equal to the required contributions for the periods and were as follows:

<u>Year Ended June 30</u>	
2011	\$ 147,835
2010	\$ 140,735
2009	\$ 134,538

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 7 POSTEMPLOYMENT HEALTH-CARE BENEFITS

The District contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer post-employment HealthCare plan administered by PERA. The HCTF provides a HealthCare premium subsidy to PERA participating benefits recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained by contacting PERA, 1300 Logan Street, Denver, Colorado 80203.

Funding Policy

The Creede School District is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Creede School District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The Creede School District's contributions to HCTF for the years ending June 30, 2011, 2010, and 2009 were \$10,547, \$10,703 and \$10,979, respectively, equal to their required contributions for each year.

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 9 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

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

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 9 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2011.

An audited summary of the Colorado School District's Pool financial information at December 31, 2010 (latest information available) follows:

Total Assets	<u>39,132,062</u>
Total Liabilities	<u>13,621,679</u>
Total Equity	<u>25,510,383</u>
Revenue	9,587,360
Underwriting Expenses	<u>10,406,066</u>
Underwriting Gain (Loss)	(818,706)
Net Investment Income	1,757,153
Other Income	-
Net Income (Loss) Before Dividend	<u>938,447</u>
Dividend	-
Net Income	<u>938,447</u>
Transfer of Capital Contributions	-
Change in Non Admitted Assets	<u>25,081</u>
Capital Contributions from Members	-
Unassigned Surplus	<u>25,510,383</u>

NOTE 10 FOOD INVENTORIES

Food Service Fund inventories at June 30, 2011, consisted of purchased, non-food and donated commodities amounting to \$1,301, \$695 and \$1,164, respectively. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 11 ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, 2011 are estimated to be \$154,308. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

NOTE 12 LITIGATION

None.

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 13 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Claims and Judgments - The District participates in a number of federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2011, significant amounts of grant expenditures have not been audited by the grantor but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

NOTE 14 JOINT VENTURES AND RELATED PARTIES

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

The District has one member on the Board. The Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2011. The joint venture summary audited financial information as of June 30, 2010 is as follows:

Assets	<u>1,538,666</u>
Liabilities	<u>1,178,184</u>
Net Assets	<u>360,482</u>
Revenues	6,731,866
Expenditures	<u>6,710,559</u>
Change In Net Assets	<u>21,307</u>

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES. The BOCES is audited annually and files a report with the Colorado State Auditor's Office.

Creede Schools Endowment Foundation

The Creede Schools Endowment Foundation was established to supplement or fund any program or educational activity of Creede School District. This is done primarily through scholarships to the students of the school. The District has one member on the Board. The Board has final authority for all budgeting and financing of the Endowment Foundation, which is a related party and not a joint venture. Complete separate financial statements may be obtained from the Foundation. As of 6-30-2011 the Foundation had cash and investment assets of \$260,295.

CREEDE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2011

NOTE 14 JOINT VENTURES AND RELATED PARTIES (continued)

Whitney Newton Trust

The Whitney Newton Trust was established in 1969 to supplement or fund any program or educational activity of Creede School District. The custodian of the trust is Mineral County. As of January 1, 2010, two of the three Mineral County Commissioners are also Creede School District Board Members. As Commissioners, they have authority over the Whitney Newton Trust Funds. Complete separate financial statements may be obtained from Mineral County. As of 6-30-2011 the Trust had cash and investment assets of \$904,676.

NOTE 15 INTERFUND BALANCES AND TRANSFERS

<u>TRANSFERS</u>	<u>Trans In</u>	<u>Trans Out</u>
<u>MAJOR GOVERNMENTAL FUNDS</u>		
General Fund	-	36,612
<u>MAJOR ENTERPRISE FUNDS</u>		
Food Service Fund	<u>36,612</u>	-
	<u>36,612</u>	<u>36,612</u>

Transfers were made from the General Fund to the Food Service Fund for the purpose of assisting operations.

NOTE 16 PRIOR PERIOD CORRECTION

The prior year correction is for revenues allocated to the Capital Reserve Fund in 2009-2010 that should have remained in the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

MAJOR GOVERNMENTAL FUNDS

General Fund

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

CREEDE SCHOOL DISTRICT
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	677,420	677,420	759,643	82,223
Specific Ownership Taxes	84,825	84,825	76,221	(8,604)
Earnings on Investments	55,000	55,000	6,549	(48,451)
Delinquent Taxes and Interest	1,000	1,000	2,395	1,395
Other	346,600	346,600	327,825	(18,775)
<u>County Sources</u>				
Other	-	-	-	-
<u>State Sources</u>				
Equalization	592,537	592,537	571,844	(20,693)
Transportation	25,000	25,000	28,068	3,068
Vocational Education	10,000	10,000	10,452	452
Special Education	-	-	-	-
Other	6,576	6,576	4,468	(2,108)
<u>Federal Sources</u>				
Other	23,655	23,655	123,940	100,285
<u>Allocation to Capital Reserve Fund</u>	<u>(104,251)</u>	<u>(104,251)</u>	<u>-</u>	<u>104,251</u>
TOTAL REVENUES	<u>1,718,362</u>	<u>1,718,362</u>	<u>1,911,405</u>	<u>193,043</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
<u>Regular Programs</u>				
Salaries	775,480	775,480	736,223	39,257
Employees Benefits	227,989	227,989	209,280	18,709
Purchased Services-Professional	13,650	13,650	6,755	6,895
Purchased Services-Property	13,100	13,100	9,743	3,357
Purchased Services-Other	59,550	59,550	23,169	36,381
Supplies and Materials	40,800	40,800	40,312	488
Property	47,850	47,850	23,482	24,368
Other Objects	35,550	35,550	11,220	24,330
<u>Total Instruction</u>	<u>1,213,969</u>	<u>1,213,969</u>	<u>1,060,184</u>	<u>153,785</u>

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

CREEDE SCHOOL DISTRICT
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2011

<u>SUPPORTING SERVICES</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Student Supporting Services</u>				
Salaries	21,187	21,187	23,992	(2,805)
Employee Benefits	9,005	9,005	6,355	2,650
Purchased Services – Professional	13,000	13,000	3,057	9,943
Purchased Services – Other	500	500	199	301
Supplies and Materials	1,000	1,000	317	683
Other Objects	250	250	-	250
<u>Total Student Services</u>	<u>44,942</u>	<u>44,942</u>	<u>33,920</u>	<u>11,022</u>
<u>Instructional Staff</u>				
Salaries	16,988	16,988	16,954	34
Employee Benefits	8,261	8,261	8,365	(104)
Purchased Services – Other	150	150	5,267	(5,117)
Supplies and Materials	2,500	2,500	869	1,631
Property	1,500	1,500	200	1,300
Other Objects	500	500	-	500
<u>Total Instructional Staff</u>	<u>29,899</u>	<u>29,899</u>	<u>31,655</u>	<u>(1,756)</u>
<u>General Administration</u>				
Salaries	91,474	91,474	87,975	3,499
Employee Benefits	26,740	26,740	25,027	1,713
Purchased Services-Professional	12,500	12,500	12,430	70
Purchased Services-Other	11,500	11,500	7,749	3,751
Supplies and Materials	1,100	1,100	1,150	(50)
Property	3,500	3,500	309	3,191
Other Objects	15,500	15,500	12,636	2,864
<u>Total General Administration</u>	<u>162,314</u>	<u>162,314</u>	<u>147,276</u>	<u>15,038</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	18,765	18,765	18,765	-
Employee Benefits	16,119	16,119	14,838	1,281
Purchased Services – Professional	250	250	3,301	(3,051)
Purchased Services – Other	800	800	874	(74)
Supplies and Materials	500	500	108	392
Property	550	550	346	204
Other Objects	550	550	468	82
<u>Total School Administration</u>	<u>37,534</u>	<u>37,534</u>	<u>38,700</u>	<u>(1,166)</u>

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

CREEDE SCHOOL DISTRICT
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2011

<u>Supporting Services (Continued)</u>	<u>Budgeted Amounts</u>			<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Business Services</u>				
Salaries	19,570	19,570	21,780	(2,210)
Employees Benefits	8,684	8,684	8,594	90
Purchased Services-Professional	2,500	2,500	2,428	72
Purchased Services-Other	350	350	791	(441)
Supplies and Materials	1,500	1,500	1,542	(42)
Property	450	450	-	450
<u>Total Business Services</u>	<u>33,054</u>	<u>33,054</u>	<u>35,135</u>	<u>(2,081)</u>
<u>Operations and Maintenance</u>				
Salaries	60,906	60,906	56,772	4,134
Employees Benefits	22,730	22,730	21,508	1,222
Purchased Services-Professional	3,300	3,300	1,004	2,296
Purchased Services-Property	6,575	6,575	7,401	(826)
Purchased Services-Other	3,000	3,000	326	2,674
Supplies and Materials	67,926	67,926	61,509	6,417
Property	21,000	21,000	10,851	10,149
Other Objects	2,471	2,471	-	2,471
<u>Total Operations and Maintenance</u>	<u>187,908</u>	<u>187,908</u>	<u>159,371</u>	<u>28,537</u>
<u>Student Transportation</u>				
Salaries	9,500	9,500	8,593	907
Employee Benefits	1,800	1,800	1,528	272
Purchased Services – Professional	500	500	74	426
Purchased Services-Other	45,000	45,000	36,088	8,912
<u>Total Student Transportation</u>	<u>56,800</u>	<u>56,800</u>	<u>46,283</u>	<u>10,517</u>
<u>Central Support</u>				
Salaries	42,500	42,500	45,461	(2,961)
Employee Benefits	12,500	12,500	13,457	(957)
Purchased Services – Professional	-	-	300	(300)
Purchased Services – Other	12,250	12,250	38,577	(26,327)
Supplies and Materials	6,500	6,500	3,290	3,210
Property	1,000	1,000	-	1,000
<u>Total Central Support</u>	<u>74,750</u>	<u>74,750</u>	<u>101,085</u>	<u>(26,335)</u>
<u>Facilities</u>				
Property	-	-	31,108	(31,108)
<u>Total Facilities</u>	<u>-</u>	<u>-</u>	<u>31,108</u>	<u>(31,108)</u>
 <u>TOTAL SUPPORTING SERVICES</u>	 <u>627,201</u>	 <u>627,201</u>	 <u>624,533</u>	 <u>2,668</u>

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

CREEDE SCHOOL DISTRICT
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>APPROPRIATED RESERVES</u>	<u>460,000</u>	<u>460,000</u>	<u>-</u>	<u>460,000</u>
<u>TOTAL EXPENDITURES</u>	<u>2,301,170</u>	<u>2,301,170</u>	<u>1,684,717</u>	<u>616,453</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(582,808)</u>	<u>(582,808)</u>	<u>226,688</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	<u>(56,330)</u>	<u>(56,330)</u>	<u>(36,612)</u>	<u>19,718</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(639,138)</u>	<u>(639,138)</u>	<u>190,076</u>	
<u>FUND BALANCE, July 1</u>	<u>639,138</u>	<u>639,138</u>	<u>1,592,323</u>	
<u>PRIOR PERIOD ADJUSTMENT</u>	<u>-</u>	<u>-</u>	<u>51,179</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>1,833,578</u>	

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

COMBINING BALANCE SHEET – NON MAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Proprietary Fund – Business Type Activities

Enterprise Funds – Used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

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

Agency Fund

Pupil Activity – This fund is used to account for assets held by the District in a trustee capacity or as an agent for others.

NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Reserve Special Revenue Fund

This fund is authorized by Colorado School Law and is funded by General Fund allocations. It is used to fund ongoing capital needs such as site acquisition, building additions and equipment purchases.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

CREEDE SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

June 30, 2011

	<u>Capital Reserve</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>		
Cash and Investments	-	-
Accounts Receivable	-	-
Accrued Revenue	-	-
Due from Other Funds	-	-
Property Taxes Receivable	-	-
Receivables – Other	-	-
<u>Total Assets</u>	<u>-</u>	<u>-</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
<u>Liabilities:</u>		
Accounts Payable	-	-
Accrued Salaries	-	-
Due to Other Funds	-	-
Other Payables	-	-
Deferred Revenue:		
Local Sources	-	-
Property Taxes	-	-
Other Governments	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>
 <u>Fund Balances:</u>		
Designated for:		
Subsequent Years' Expenditures	-	-
Undesignated	-	-
<u>Total Fund Balances</u>	<u>-</u>	<u>-</u>
 <u>TOTAL LIABILITIES & FUND BALANCES</u>	 <u>-</u>	 <u>-</u>

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

CREEDE SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2011

	<u>Capital Reserve</u>	<u>Total Non-Major Governmental Funds</u>
<u>REVENUES:</u>		
Property Taxes	-	-
Specific Ownership Taxes	-	-
Earnings on Investments	-	-
Other Local Sources	-	-
State Aid	-	-
Federal Aid	-	-
Allocation to Reserves	-	-
<u>Total Revenues</u>	<u>-</u>	<u>-</u>
<u>EXPENDITURES:</u>		
Current:		
Instructional Services	-	-
Supporting Services:		
Students	-	-
Instructional Staff	-	-
District Administration	-	-
School Administration	-	-
Business	-	-
Operation & Maintenance of Facilities	-	-
Transportation	-	-
Community Services	-	-
Capital Outlay	-	-
<u>Total Expenditures</u>	<u>-</u>	<u>-</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	 -	 -
 <u>OTHER FINANCING SOURCES (USES)</u>		
Transfers	-	-
<u>NET CHANGE IN FUND BALANCES</u>	-	-
 <u>FUND BALANCES, Beginning</u>	 51,179	 51,179
 <u>PRIOR PERIOD ADJUSTMENT</u>	 (51,179)	 (51,179)
 <u>FUND BALANCES, Ending</u>	 <u>-</u>	 <u>-</u>

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

CREEDE SCHOOL DISTRICT
 CAPITAL RESERVE SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
 For the Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues</u>			
Earnings on Investments	-	-	-
Allocated Revenues – General Fund	<u>45,040</u>	<u>-</u>	<u>(45,040)</u>
<u>Total Revenues</u>	<u>45,040</u>	<u>-</u>	<u>(45,040)</u>
<u>Expenditures</u>			
Land and Land Sites	-	-	-
Buildings Improvements	35,000	-	35,000
Equipment	13,500	-	13,500
Vehicles	31,540	-	31,540
Other	-	-	-
Contingency Reserves	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>80,040</u>	<u>-</u>	<u>80,040</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(35,000)</u>	<u>-</u>	
<u>FUND BALANCES, July 1</u>	35,000	51,179	
<u>PRIOR PERIOD ADJUSTMENT</u>	<u>-</u>	<u>(51,179)</u>	
<u>FUND BALANCES, June 30</u>	<u>-</u>	<u>-</u>	

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

CREEDE SCHOOL DISTRICT
 FOOD SERVICES – PROPRIETARY FUND TYPE
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>OPERATING REVENUES</u>			
Charges for Services:			
Food Sales	44,000	26,196	(17,804)
Other	-	87	87
<u>Total Operating Revenues</u>	<u>44,000</u>	<u>26,283</u>	<u>(17,717)</u>
<u>OPERATING EXPENSES</u>			
Salaries	39,939	39,233	706
Employee Benefits	19,541	17,194	2,347
Purchased Services – Professional	-	67	(67)
Purchased Services – Property	-	-	-
Purchased Services - Other	3,500	534	2,966
Supplies and Materials	42,000	29,282	12,718
Capital Outlay	2,550	526	2,024
Other	-	931	(931)
Commodities	-	2,391	(2,391)
Depreciation	-	-	-
<u>Total Expenses</u>	<u>107,530</u>	<u>90,158</u>	<u>17,372</u>
<u>INCOME (LOSS) FROM OPERATIONS</u>	<u>(63,530)</u>	<u>(63,875)</u>	
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Federal Aid:			
School Lunches	4,000	14,272	10,272
Commodities	-	3,555	3,555
Interest Earned	-	-	-
State Aid:			
School Match	650	585	(65)
Grants	-	-	-
<u>Total Non-Operating Revenues (Expenses)</u>	<u>4,650</u>	<u>18,412</u>	<u>13,762</u>
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>(58,880)</u>	<u>(45,463)</u>	
<u>OPERATING TRANSFERS FROM GENERAL FUND</u>	<u>36,612</u>	<u>36,612</u>	<u>-</u>
<u>NET INCOME (LOSS)</u>	<u>(22,268)</u>	<u>(8,851)</u>	
<u>RETAINED EARNINGS, Beginning</u>	<u>22,268</u>	<u>33,756</u>	
<u>RETAINED EARNINGS, Ending</u>	<u>-</u>	<u>24,905</u>	

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

CREEDE SCHOOL DISTRICT
 PUPIL ACTIVITY AGENCY FUND
 STATEMENT OF ACTIVITIES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>ADDITIONS</u>			
Local Sources	28,000	38,963	10,963
State Sources	-	-	-
Federal Sources	-	-	-
<u>Total Additions</u>	<u>28,000</u>	<u>38,963</u>	<u>10,963</u>
 <u>DEDUCTIONS</u>			
Student Activities	<u>58,000</u>	<u>38,077</u>	<u>19,923</u>
<u>Total Deductions</u>	<u>58,000</u>	<u>38,077</u>	<u>19,923</u>
 <u>Net Increase (Decrease) in Deposits Held for Others</u>	 (30,000)	 886	
 <u>Deposits Held for Others – Beginning of Year</u>	 <u>30,000</u>	 <u>27,874</u>	
 <u>Deposits Held for Others – End of Year</u>	 <u>-----</u>	 <u>28,760</u>	

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

STATE REQUIRED SCHEDULES

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

Bolded Balance Sheet

11/17/2011
 DISTRICT
 02:49 PM
 2010

Colorado Department of Education
 Fiscal Year 2010-2011
 Colorado School District/BOCES
 Auditor's Integrity Report

MINERAL CREEDE SCHOOL
 District Code:

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	1,643,501	1,874,793	1,684,717	1,833,578
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Subtotal	1,643,501	1,874,793	1,684,717	1,833,578
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
21 Capital Reserve Spec Revenue Fund	-0	0	0	-0
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
30 Debt Service Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
39 Non-Voter Approved 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	1,643,501	1,874,793	1,684,717	1,833,578
Proprietary				
51 Food Service Fund	33,755	81,307	90,158	24,904
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	33,755	81,307	90,158	24,904
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	27,874	38,963	38,077	28,760
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
TOTALS	27,874	38,963	38,077	28,760

*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.

From submitted data file: fd2010.04a Program: fdrdh.sqr File: fd2010.dha FINAL

Colorado Department of Education
Colorado School Districts
2010-2011

MINERAL CRESCENT SCHOOL DISTRICT
District Code: 2010

Must mirror the combined balance sheet pages from your audit.

--Fiduciary--

--Proprietary--

--Governmental--

Bo. d'd Bal Sheet Codes	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 21-29	Debt Service Funds 31-39	Capital Projects Funds 41-49	Enterprise Fund 51 (food)	Enterprise Funds 52-59	Other Funds 63-64	Risk-Related Activity Funds 65-69(60)	Internal Service Funds 65-69(60)	Trust & Agency Funds Funds 72-79	Foundations Fund 85	Totals
ASSETS														
Cash and Investments	1,902,930	0	0	0	0	0	21,745	0	0	0	0	28,760	0	1,953,435
(8100-8104, 8111)														
Cash with Fiscal Agent	55,722	0	0	0	0	0	0	0	0	0	0	0	0	55,722
(8105)														
Other Investment Accounts	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(8112-8115)														
Taxes Receivable	50,260	0	0	0	0	0	0	0	0	0	0	0	0	50,260
(8121, 8122)														
Interfund Loans Receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(8131, 8132)														
Intergovernmental Accounts Rec	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(8141)														
Grants Accounts Receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(8142)														
Other Receivables	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(8151-8154, 8161)														
Inventories	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(8171, 8172, 8173)														
Prepaid Expenses	0	0	0	0	0	0	3,161	0	0	0	0	0	0	3,161
(8181, 8182)														
Other Current Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(8191-8194, 8199)														
Sites	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(8211)														
Site Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(8221)														
Accumulated Depreciation on Site Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(8222)														
Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(8231-8234)														
Machinery and Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(8241, 8242, 8251)														
Total Assets	2,008,912	0	0	0	0	0	24,905	0	0	0	0	28,760	0	2,062,577
LIABILITIES & FUND EQUITY														
LIABILITIES														
Interfund Payables	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(7401, 7402)														
Intergovernmental Payables	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(7411)														
Other Payables	11,626	0	0	0	0	0	0	0	0	0	0	0	0	11,626
(7421-7423)														
Contracts Payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(7431-7433)														
Bonds Payables	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(7441-7445, 7451, 7452, 7455)														
Accrued Expenses	154,308	0	0	0	0	0	0	0	0	0	0	0	0	154,308
(7461)														
Payroll Ded. and Withholdings	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(7471-7473)														
Deferred Revenue	9,400	0	0	0	0	0	0	0	0	0	0	0	0	9,400
(7481)														
Grants Deferred Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(7482)														
Other Current Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(7491, 7492, 7499)														
Long-Term Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(7521, 7531, 7561, 7590)														
Compensated Absences	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(7541)														
Note: Fund 90 District Debt Accounts 7519 are not shown on this report														
Total Liabilities	175,334	0	0	0	0	0	0	0	0	0	0	0	0	175,334

Bolded Balance Sheet Report
Must mirror the combined balance sheet pages from your audit.

-----Governmental-----Proprietary-----Fiduciary-----

Desc/ BOLDed Bal Sheet Codes	Governmental										Proprietary			Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Avenue Funds 21-29	Debt Service Funds 31-39	Capital Projects Funds 41-49	Enterprise Fund 51 (Food)	Enterprise Funds 52-59	Other Risk-Related Activity Funds 63-64	Other Internal Service Funds 65-69(60)	Agency Funds Funds 72-79	Trust & Foundations Fund 85	Totals			
FUND EQUITY																
Res. for Inv, Prepaid Exp, Enc (6751,6752,6753)	0	0	0	0	0	0	0	0	0	0	0	0	0			
Other Reserved Fund Balances (6759)	0	0	0	0	0	0	0	0	0	0	0	0	0			
Reserved Fund Balances (6760)	0	0	0	0	0	0	0	0	0	0	0	0	0			
Reserved for TABOR 3% Reserved (6761)	54,000	0	0	0	0	0	0	0	0	0	0	0	54,000			
Reserved for TABOR Multi-Year (6762)	0	0	0	0	0	0	0	0	0	0	0	0	0			
Designated Fund Balance (6763)	0	0	0	35,000	0	0	0	0	0	0	0	0	35,000			
Capital Renewal Reserve (6764)	0	0	0	0	0	0	0	0	0	0	0	0	0			
Colorado Preschool Program (Restricted Under GRAB 54) (6765)	12,232	0	0	0	0	0	0	0	0	0	0	0	12,232			
Risk Related Activity Reserve (Restricted Under GASB 54) (6766)	0	0	0	0	0	0	0	0	0	0	0	0	0			
Full Day Kindergarten Reserve (6767)	0	0	0	0	0	0	0	0	0	0	0	0	0			
District Emergency Reserve (6768)	0	0	0	0	0	0	0	0	0	0	0	0	0			
Other Restricted Reserves (6769)	0	0	0	0	0	0	0	0	0	0	0	0	0			
Unreserved Fund Balance (6770)	1,716,167	0	0	16,179	0	0	0	0	0	28,760	0	1,761,106				
Invest. in Cap. Assets(fund51) (6790)	0	0	0	0	0	0	0	0	0	0	0	0	0			
Restricted Net Assets(fund 51) (6791)	0	0	0	0	0	0	0	0	0	0	0	0	0			
Unrestricted Net Assets (6792)	0	0	0	0	0	0	24,904	0	0	0	0	24,904				
Prior-Period Adjustment (6890)	51,179	0	0	-51,179	0	0	0	0	0	0	0	0				
Total Fund Equity	1,833,579	0	0	-3	0	0	24,904	0	0	28,760	0	1,887,241				
Total Liabilities & Fund Equity	2,008,912	0	1	-3	0	0	24,904	0	0	28,760	0	2,062,576				

For Each Fund Type: Yes:OK Yes:OK Yes:OK Yes:OK Yes:OK Yes:OK Yes:OK Yes:OK Yes:OK Yes:OK Yes:OK Yes:OK